

**WAYS AND MEANS
and
CONSUMER PROTECTION COMMITTEE
of the
SUFFOLK COUNTY LEGISLATURE**

Minutes

A regular meeting of the Ways and Means and Consumer Protection Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, Veterans Memorial Highway, Smithtown, New York, on **June 1, 2004**.

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MEMBERS PRESENT:

Legislator Cameron Alden • Chairman

Legislator Andrew Crecca • Vice•Chair

Legislator William Lindsay

Legislator Lynne Nowick

Legislator Peter O'Leary

Legislator Viloría•Fisher

Legislator Elie Mystal

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ALSO IN ATTENDANCE:

Mea Knapp • Counsel to the Legislature

Robert Lipp • Director, Budget Review Office

Charles Gardner • Director of Consumer Affairs

Ilona Julius • Clerk's Office

Ben Zwirn • County Executive's Office

Bill Faulk • Aide to Presiding Officer

Warren Greene • Aide to Legislator Alden

Ed Hogan • Aide to Legislator Nowick

Frank Tassone • Aide to Legislator Crecca

Pat Zielenski• Real Estate Division

Lynne Bizzarro • County Attorney

Lee Lutz • Campaign Finance Board

Kelly Platt

Fred Grob

David Sloan

All other interested parties

MINUTES TAKEN BY:

Donna Catalano • Court Stenographer

(* THE MEETING WAS CALLED TO ORDER AT 10:05 A.M.*)

CHAIRMAN ALDEN:

I would ask that just at the beginning of Ways and Means, yesterday was Memorial Day, and a lot of us took part in ceremonies that, you know, realize why and how we came to have the freedoms that we have. So I'd like to take one moment to honor those that actually paid the supreme sacrifice for the freedoms that we feel that we have today.

MOMENT OF SILENCE

CHAIRMAN ALDEN:

Thank you. We have Ed Romaine with us. And I know Ed asked to address us on •• so, Ed, if you want to come up.

MR. ROMAINE:

Morning, Mr. Chairman. Very quickly, I'm just here to speak about a tabled resolution that will be ready for a vote at the next meeting of the Legislature, Resolution 1385, which authorizes the implementation of a subscription service fee for the County Clerk's Office Online Record System. I've been here before about this resolution. I'm back again today to see if there's any questions that I can answer about this.

CHAIRMAN ALDEN:

I think we're actually pretty good on that, Ed.

MR. ROMAIN:

Okay.

CHAIRMAN ALDEN:

Thanks.

MR. ROMAIN:

Very simple.

CHAIRMAN ALDEN:

All right, Ed. Thanks a lot. We also have Charlie Gardner. Charlie, if you want to step forward for a minute. I know there's three resolutions that you want to weigh in on.

DIRECTOR GARDNER:

Good morning, Mr. Chairman. Three of the tabled resolutions that affect Consumer Affairs are 1277, the home improvement contracting licensing law that would add new home construction; also 1358, to amend the licensing and regulation of dry cleaning establishments; and 1401, that would amend certain occupational licensing laws increasing maximum allowable fines. We just •• as of last Friday, talking about the new home construction, Legislator Fisher's proposal, I just got the •• well, I don't know if it's the last, but the most recent information from some of the towns. So we are now putting it together. We still don't have a good number, that's the problem. Nobody can come up with a good number.

LEG. VILORIA • FISHER:

I thank you very much for your efforts. If I may, Mr. Chair.

CHAIRMAN ALDEN:

Sure.

LEG. VILORIA • FISHER:

Through the Chair. I have also been meeting with Mr. Wieboldt from the Long Island Builders Institute, and they have been coming up with some other ways to handle this so that we could not burden your office as much, because we do know that it could become a very burdensome process. And Mr. Wieboldt said that he would be in touch with you. So that among the three of us, we can come up with something •• I'm going to be tabling this today, because he did come to see me with other members of his association and had some very cogent ideas which could

lead us in the right direction, because the numbers are becoming high from the different towns with the different licensing procedures. And we don't want to overburden your office with this.

DIRECTOR GARDNER:

Thank you.

LEG. VILORIA • FISHER:

Thank you for your work on this, Charlie.

DIRECTOR GARDNER:

Thank you. Unless there are any questions on the dry cleaning or the allowable fines, I think •• I spoke very briefly to Legislative Counsel and those requested amendments or changes have been made to those as far as the fines •• the licensing laws.

CHAIRMAN ALDEN:

Legislator Lindsay.

LEG. LINDSAY:

So how does the department feel about the dry cleaning regulation?

DIRECTOR GARDNER:

With the suggested amendments that we worked with Legislator Cooper, we would have no objection to it.

LEG. LINDSAY:

Okay. And as far as the maximum allowable fines?

DIRECTOR GARDNER:

The maximum allowable fines, again, we had a conversation with Legislator Cooper concerning the difference between licensed contractors and unlicensed contractors, also the working as far as that •• some of the language referring to those people that would operate with impunity, we certainly took exception to that. I believe that language has been changed. But as far as the penalties for unlicensed, which as you know is a criminal violation and handled by the courts, we have no objection to increasing that to whatever. I think Legislator Cooper was looking to either five or maybe \$10,000.

The fines for licensed contractors, the biggest hammer that we have there is the ability to suspend and/or revoke a license and then go with criminal. So as far as the violations that generally occur with licensed contractors, we're very comfortable with the scheduled penalties as they now exist. I believe Legislator Cooper was in agreement with that.

LEG. LINDSAY:

So both bills with consultation, the department is agreeable with?

DIRECTOR GARDNER:

That's correct, sir.

CHAIRMAN ALDEN:

Any other questions? Okay. Charlie, thanks a lot.

DIRECTOR GARDNER:

Thank you, Mr. Chairman.

CHAIRMAN ALDEN:

Is Cathy Kenny here? Robert Santaserino? Not even close? How bad?

MR. SANTASIERO:

Robert Santasiero.

CHAIRMAN ALDEN:

I apologize.

MR. SANTASIERO:

That's all right.

CHAIRMAN ALDEN:

You are the past President of the Long Island Gasoline Retailers Association, current board member LIGRA, Chairman of Long Island Gasoline Retailers Association Legislative Committee, and you have 40 years in as a retailer of gasoline.

MR. SANTASIERO:

Almost right. Forty two years.

CHAIRMAN ALDEN:

Forty two years.

MR. SANTASIERO:

I was also President of NCPR, National Coalition of Petroleum Retailers.

CHAIRMAN ALDEN:

I appreciate you coming down. As you know, we've been getting hit with •• not just us, nationally, and I guess world wide, we've been getting hit with huge increases in gasoline. And the stories are flying all over the place, and some of the •• like the theories are that, you know, because there have mergers between some of the major oil companies or there's some kind of collusion between the retailers, all kinds of things that would reflect an inflated gasoline price to the consumers, especially in light of that, you know, Memorial Day traditionally marks the beginning of travel season in America, and just before Memorial Day, we saw huge increases in the gasoline price. Is there an explanation for that or some light you can shed on those circumstances?

MR. SANTASIERO:

There are many, many explanations on why the price of fuel has gone up so high. I would like to give you one •• one thought, and it's my opinion, my opinion only. If you noticed in the last four to five years, you have had consolidation of major oil companies; EXXON, Mobil, Texaco, Shell, BP, Amoco. What this has done to the market is it's cut the competition down, and historically competition in the service station and gasoline business has historically kept the price down. Now when you remove competition, the price has to go up. And this has been going on very slowly for the last three to five years. The oil companies started in the mid '80s to eliminate competition by closing down a lot of outlets. They found that worked very well, and they continued that through into the early '90s. As a result of that, price went from to 50 • • 40, 50 cents a gallon to over a dollar, which we all know what happened now in the last six months. We've doubled it, and we're in the \$2 range and going a little bit higher. Again, there's many, many reasons, but the most important reason is lack of competition. In this business, if you don't have competition, the price will only go up.

CHAIRMAN ALDEN:

Is that in with •• you know, there's zone pricing that also occurs. And we had some

testimonies about two years now that we looked into fairly thoroughly, and it's hard to prove the collusion or the actions on the part of a major oil company to force somebody out of business. But zone pricing seemed to me one thing that while you have legitimate reasons for different zones, it could also be used very easily, as you just said, force your competition out or even force some of your own retailers out.

MR. SANTASIERO:

Very true. Zone •• zone •• the word zone pricing originally started with the cost of delivering motor fuel from one location to another. This is what the oil company decided was a zone price. And if it cost from the barge to let's just say from one end of the island to the other, it would cost you two or three cents more a gallon to deliver the cost of product. This is how zone pricing came in effect. What they have done with it now, I really can't comment on, because I'm not privy to the information of the oil companies, but zone pricing was originally instituted to offset the price of the cost of delivering fuel.

CHAIRMAN ALDEN:

and That's a legitimate •• legitimate cost. One other thing too I'd like to just touch on, and that's your profit margin as a retailer, because, you know, like •• and you are under no obligation, you know, this isn't an inquest or anything like that. I appreciate you coming down, because it's mutual concerns. Your customers and our constituents are the same people, and if we can get to, like, some kind of an understanding of what happened with the gas prices and if, in fact, there's anything we can do to control gas prices, it would benefit all of us. But do you make a lot more money if the price of gasoline goes up?

MR. SANTASIERO:

Well, let me just give you a couple of examples. I said when I sat down I'm 42 years in this business. When I started in this business, I think fuel was 23.9 cents a gallon. At that figure, I made five cents a gallon. In 1998, when I left the business, I was making five cents a gallon, okay? The cost of fuel at that time was about a \$1.75. The dealers today are making a little bit more. They're making about seven or eight cents, even some dealers are making nine and ten cents a gallon. But you must takes into consideration that in the last two years, all, and when I say all, I mean, all rentals or leased dealerships, that means when a service station dealer leases from an oil company the property or garage to run the location, all of these rentals have gone almost 100% increase.

I was paying \$4500 in 1998. That same location is getting \$12,000 a month rent now, from 4500 to \$12,000. This is unconscionable as far as the oil companies go. In addition to that, the dealers are paying the oil companies taxes on the property. Now, why anybody in their right mind lease a location, pay rent and taxes? In addition to that, they're also paying maintenance on the building and equipment. When I start in this business, the equipment was given to me, they maintained the equipment and they gave me a stipend to take care of the building. These things no longer exist in this business. It just doesn't happen anymore. Why doesn't it happen? You would have to ask the oil companies or my good friend Ms. Kenny.

CHAIRMAN ALDEN:

That goes back to one of your original statements though. With less competition, they are able to just squeeze their dealers and actually control the prices in a number of different ways.

MR. SANTASIERO:

Absolutely. And with the addition of the credit card, the prices •• prices with the credit card and the amount of credit to cash is another reason why the dealer isn't making any money anymore. It's costing him three percent of the sale of a gallon of gasoline every time you use a credit card. So if gas is \$2 a gallon, it's costing him six cents to use that credit card for every gallon he puts on the credit card.

CHAIRMAN ALDEN:

Would that be a major oil company credit card also?

MR. SANTASIERO:

A major oil company credit card at this date, I believe, is still not charging for the use of the card. However, the proprietary card such as Visa or Master, America Express is about 40 to 45% of the oil company cards. So you are still at 3% net no matter how you look at it. Now you take that off your gross profit, the dealer is still not making any money.

CHAIRMAN ALDEN:

Roughly what portion of the price of gasoline is •• can you break it in just a rough form, how much is tax and how much is the ••

MR. SANTASIERO:

Right. I'm glad I'm sitting down. Tax roughly on a gallon of gas is about 63 cents. We differ from Jersey. You've heard the term bootlegging and so on and so forth. It's very easy for

bootlegging to take place on Long Island. The simple fact is all a person has to do is get a tank truck, go to Jersey, go under a rack, fill up legally with a tank of fuel, bring it across the bridge and sell it to anybody in Nassau, Suffolk and Queens County for anywhere between •• well, the difference of price is 14.2 cents a gallon, because in New York State we have a gross receipt tax, nowhere else in the country do we have a gross receipt tax except New York State, that's 14.2 cents a gallon more than what they pay for the gas in Jersey. So consequently, if you had a truck that held 10,000 gallons of gas, you're looking at \$1400 difference in the cost of gas. You come across the bridge and sell it to a dealer for \$500 more than what he paid for it and still out with 700 in his pocket.

CHAIRMAN ALDEN:

Now, does that benefit the dealer who would participate in that illegal program or does it benefit the consumer?

MR. SANTASIERO:

It benefits the dealer, but it puts him at a tremendous risk, because if the oil company catches him bootlegging gas, number one, it's illegal state wise, federal wise and county wise. It's illegal to do this. Number two, the amount he is going to save •• the four or \$500 that he's going to make doesn't warrant him doing it. However, it's done every day.

CHAIRMAN ALDEN:

Can you estimate, like, approximately how many tractor trailer wise?

MR. SANTASIERO:

Yes. I sat on a commission with Mobil when Mobil was Mobile, not EXXON Mobile. I sat on a commission, and I think Ms. Kenny was with me at that time about six years ago. And we estimated the problem at that time with bootlegging. You remember that? And it was startling. I asked the State Tax Commissioner if he would give me the rights of the •• the rights to bond me to guard all the bridges. Because I would guarantee I would give the state \$3 million a year more in their pockets than they're getting now, because the amount of bootlegging was about \$30 million a year.

CHAIRMAN ALDEN:

Thirty million dollars a year?

MR. SANTASIERO:

Yes, sir. That's correct. That's correct. And it's amazing that we haven't done a thing about this yet, And I don't know why.

CHAIRMAN ALDEN:

But there was a commission, because I think ••

MR. SANTASIERO:

Oh, yes, there was a commission. We investigated all the reasons why this was going on. And all of those good reasons went down the drain.

CHAIRMAN ALDEN:

Is that commission still is existence or...

MR. SANTASIERO:

No, it is not.

CHAIRMAN ALDEN:

If you were sitting on this side of the horseshoe, in a perfect world, what kind of powers would you want to try •• and one of them you just said, if you could control the bootleg gas, that would help, but what powers would you want to see if you were on this side of the horseshoe?

MR. SANTASIERO:

To regulate the price of gas?

CHAIRMAN ALDEN:

Right.

MR. SANTASIERO:

All right. That's a good question. One of the major problems is oil companies today control the price of gas from the wellhead to the gas tank, and it's a complete line. And people will say, no, that's not true, they divest themselves of the marketing and so on and so forth. There's a thing called a company operation, okay, which is a company store or a company service station. And if you take the time to look just at Long Island as a base, you'll find that all the location, location, locations are covered by company operations; EXXON Mobile •• I shouldn't say EXXON Mobile, I'll just say Mobile, was notorious for having company operations in the right

spots. Since EXXON absorbed Mobil, they are guilty of the same thing right now. And this regulates prices. When you're in the right location and you have the right spot, you can dictate what the market will bear, and that's exactly what they're doing.

I would like to see •• if I was on your side of the bench, I would like to see you people do something about stopping the oil company from wellhead to the gas tank. Put some place a brake, a physical brake. Because if you don't do this, in the near future, and I say near future, I mean another three to five years, you will be paying \$4 a gallon for gasoline, and there will be no more competition. That's not a threat, that's the truth.

CHAIRMAN ALDEN:

So even with •• and we've seen the reports where the United States has asked Saudi to, you know, sort of pump it up, pump up the volume on this.

MR. SANTASIERO:

That's wonderful. It's great that Saudi is going to do this and do that and all the import and all the dependency on foreign fuel, it's all bologna. The whole concept that we have here is all the eggs are in one basket. And when that happens, you have no more competition. It's not •• it's not brain surgery. You know, it's just something that people don't want to look at. You have the hypermarket situation today, right now. A lot of you people on the board, you go to BJ's and shop. Why do you go there? Because you get a great price. What happened to the baker when you used to go to the bakery and buy goods? Well, he's not around any more, he's in the supermarket. What happened to the shoemaker? He's gone, he doesn't exist anymore. This is what's happening in the oil business. Little by little by little, you're whittling it down to where you won't have service stations anymore. You don't have road service anymore like you used to have 30 years ago. You can't go on a Saturday or a Sunday afternoon and get your tires switched or rotated, it's an impossibility. Why is that happening? Because they're aren't any more places around that are going to do this. This is why this is happening, it's called lack of competition.

CHAIRMAN ALDEN:

Do you have a little more time to answer some questions from the ••

MR. SANTASIERO:

Certainly.

CHAIRMAN ALDEN:

Legislator Nowick.

LEG. NOWICK:

It's actually on this point, but not quite a question for you, although I'm appalled at this whole thing. I can't even believe that the government hasn't been involved and that we're suffering so much. And it goes from the worry about affordable housing, but these gas prices are affecting everybody. But, Jim, this is a question for you, and I'm going to go out on just a little bit of a limb here, what does the County charge tax wise for gasoline?

MR. SPERO:

It's the same as every other item. So its eight seventy five, 8.75%, which includes 4.25% County portion of the tax.

LEG. NOWICK:

And I'm trying to think of ways to help our taxpayers, our constituents, our districts, what if we were to cut that down the middle to help our taxpayers? What would •• is there a way to do that?

MR. SPERO:

You would need special state legislation to enable you to roll it back.

LEG. NOWICK:

I don't mean forever, I just meant for the summer time, for two months in the summer when Legislator Alden is talking about so much travel.

CHAIRMAN ALDEN:

You could also cosponsor my legislation which asks New York State to do exactly that. It will be circulated fairly soon.

LEG. NOWICK:

I would like to do that.

MR. SANTASIERO:

Can I interrupt just a second?

CHAIRMAN ALDEN:

Sure.

MR. SANTASIERO:

The Governor in his infinite wisdom two and a half years ago or three years ago when we had the first crisis, decided that if you drove on the New York State Thruway, he lowered the price of gasoline, did just that exactly by, I think, it was 7 cents a gallon, to allow people to use the New York State Thruway going back and forth. So that was a possibility.

LEG. NOWICK:

The only problem I'm seeing here is we have to get state permission, and this is June 1st already, how can we push that along? Do you see •• you've been obviously looking into this.

CHAIRMAN ALDEN:

We've been looking at this for the five years that this committee •• you know, that I've been Chair of this Committee. And it's almost an impossible task for us, because you have federal • and exactly what you asked for, that vertical integration on the corporations, that would have to be something that the •• it's almost like an anti trust action that you would have to bring on, and that's Federal Government. And as far as any other regulations, they really fall on the state.

And even as far as controlling the amount of bootleg gas that comes in, that without the state doing something, and actually a tri•state or an interstate committee, we're powerless out here, because basically there's so many leaks, you can just bring tractor trailer load or barge load in from all over the place. So without that cooperation on higher levels, we're pretty much powerless. But I'm going to go ask •• I see Lynne Bizzarro is here from the County Attorney's Office, and it's not something that we need to do today, but if Lynne could look at the legalities of us imposing any kind of, like, price limits and things like that just so we know exactly what the options are out there. I think that would be important to look at.

LEG. NOWICK:

And you have legislation that you are introducing as far as ••

CHAIRMAN ALDEN:

Asking New York State to roll it back, yes.

LEG. NOWICK:

Great.

CHAIRMAN ALDEN:

Then we have Legislator O'Leary.

LEG. O'LEARY:

Good morning, sir. I am a little bit interested in breaking down the portions of the price per gallon as just where those monies go. And if we take •• if we take, for example, a round number of \$2 a gallon the price for gasoline, now you have indicated anywhere from seven to ten cents goes to the retailer, and about 63 cents for tax.

MR. SANTASIERO:

As far as gross profit for the retailer, yes.

LEG. O'LEARY:

All right. But when you establish a price, not you, but when the system establishes a price of \$2 a gallon, how is that broken down percentage wise? What portion of those monies go for tax, for profit?

MR. SANTASIERO:

I'll give you a little bit. Federal tax is 13.2 cents a gallon, New York State excise tax is 12 cents a gallon, special clean up fund is .002917, tank and testing fee is .0805, then, of course, your wonderful gross receipt tax 14.2 cents a gallon. And by the way, sales tax is charged on that 14.2 cents a gallon, so it's tax on tax. Keep that in mind, because that raises your sale tax on \$2 gallon to about 18 cents, 17, 18 cents.

LEG. O'LEARY:

Over and above the 14.2?

MR. SANTASIERO:

Yes.

LEG. O'LEARY:

So I mean, that still totals ••

MR. SANTASIERO:

Plus the profit •• plus the gross profit, the sales tax on that, which is a penny more.

LEG. O'LEARY:

And where does the balance of those monies go?

MR. SANTASIERO:

To the oil company.

LEG. O'LEARY:

That's profit for the oil companies.

MR. SANTASIERO:

That called TDW, tank wagon delivery price.

LEG. O'LEARY:

All right. And those numbers are fixed •• if the price of gasoline goes up ••

MR. SANTASIERO:

The sales tax goes up along with it.

LEG. O'LEARY:

Proportionately, all right.

MR. SANTASIERO:

So that runs free. The other ones basically stay the same.

LEG. O'LEARY:

So on the two dollar a gallon, if you could do some quick math there, because I don't have a computer with me. What percentage of that price per gallon goes to the oil companies?

MR. SANTASIERO:

Give me a second. I'd say it's about 63 cents, 67 cents. So deduct that from two dollars, it would be about a \$1.35 would be tank wagon.

LEG. O'LEARY:

So for a gallon of gas that costs \$2, a \$1.35 goes to the oil companies?

MR. SANTASIERO:

I couldn't give you exact, but around that figure, yes.

LEG. O'LEARY:

All right. Thank you.

MR. SANTASIERO:

It's about right.

CHAIRMAN ALDEN:

I thought you had questions.

CHAIRMAN ALDEN:

Let me introduce you, it's Cathy Kenny. She is the Associate Director of New York State Petroleum Council, you represent EXXON Mobil, ConocoPhillips, Shell Oil, BP, Hess and Chevron Texaco. Thanks for coming down.

MS. KENNY:

Thank you. Good morning. I have here •• we are division of API, which is a Washington based organization that operates in 33 states, and we're a trade association that represents the major oil companies. API has here, and this is dated May 24th, so it's pretty much on target, this is analysis of what prices are for •• how the components of a gallon of gas is broken out. And this is based on a price of 2.104. So it's pretty accurate as of today's prices. Before I get to my prepared statement, I thought it might be worth just looking at those prices. On a price of two •ten a gallon, 86 cents goes to crude, 81 cents goes to manufacturing and marketing, and in New York, 53%, national average is 43, but in New York 53% goes to taxes.

The frustration of your constituents and their concern about what the future holds for gas prices is understandable. This feeling characterized by lack of complete control over prices is akin to what the industry is experiencing itself. This country currently imports more than 62% of the

crude oil and petroleum products we consume. American refiners, therefore, must pay the crude world price that is determined on world markets to the interaction of supply and demand. The price of crude set by the world market accounts for approximately 40% of the price of gasoline. New York State and Federal taxes account for another 26%. Therefore, approximately 66% of the pump price is established before refining, profits, distribution and marketing costs are factored in. Currently, New York State is now at the top of all 50 states in gasoline taxes. At one time, Hawaii and Connecticut beat us out, but now we're at the top according to our latest data. I have a chart of the 50 states and the taxes that they paid if you're interested.

Today a barrel of crude is selling for close to \$42. This is \$16 a barrel or 39 cents a gallon greater than it was at this time last year, and the retail price of gasoline is 58 cents more per gallon today than last year, averaging about two•ten a gallon. Although admittedly this spike represents a dramatic escalation, we do not think it is inappropriate to comment at this juncture that despite these increases, today's price, adjusted for inflation, is still 25% less than it was in 1981, when it reached a high of two•seventy nine a gallon. I also read in Friday's paper that a gallon of milk now is four•forty three a gallon.

The influences on price of crude have been publicized by now and you are more than likely aware that the demand for gasoline continues to be strong and our economy grows and the instability in oil rich nations had added uncertainty in the market place enhancing price volatility. Demand, of course, is not up in this country, but in countries like China. China's economic expansion has given a dramatic boost to world oil demand and created another strong competitor for product on the world market.

Adding to our difficulties in this market of increasing demand are the geopolitical factors of world wide unrest. Besides the war on Iraq, Venezuela's long strike that began in 2002, they have still not come up to the production of their pre•strike levels. And the ethnic unrest in Nigeria have affected the availability of our usual sources of supply. OPEC which control almost half the world's exports anticipating a drop•off in demand in the second quarter, cut its production, and this discouraged stocks from building, particularly in the United States.

Refiners have difficulty replenishing stocks with cheap crude. This in turn leaves refiners more vulnerable to supply disruptions and increases the likelihood of price spikes. All of these

events; tension in the Mid East, a possible referendum of Venezuelan President Hugo Chavez' rule, even the impending June 30th deadline of the of power to the Iraqis all serve to undermine the market's confidence in the security of supply.

Unfortunately, the leverage the world market has over domestic gasoline prices is not likely to change soon. Imports which play a very important role, even though more than 90% of the gasoline we use is refined in this country, are down as much as 8% from last year's level. US gasoline inventories are low for this reason and because OPEC price strategy has hampered a build•up of stocks during the off season.

In addition, higher tank fright rates, low European inventories and more stringent US fuel specifications have all had the effect of reducing imports. Despite the fact that domestic refining capacity utilization is running at record highs, 94.5%, demand according to EIA forecasts is projected to outstrip domestic production over the next decade further increasing relies on imports. I think it's important to comment here that this problem with imports is likely to continue. As if this were not enough, domestic refining capacity is constrained to its limit, 94.5% is higher than any other industry, you can't put out •• you can't refine much more than we have. Increasing capacity at existing refineries no to mention new capacity •• no new refinery has been built in the United States since 1976 •• is very difficult because of permitting, environmental constraints and public policy considerations that cause NIMBY roadblocks.

Without a doubt, the industry has had to confront many challenges, not just with respect to maintaining adequate supply during this period of instability, but with meeting environmental requirements and new fuel specifications. These include the national introduction of new sulfur gasoline and the state•wide ban on MTBE. Obviously, our industry is capital intensive. Investments just for retooling refineries to meet new fuel specifications have totaled 49 billion over the last decade that ended in 2002. Moreover, during the same period, refiners have experienced relatively poor rates of return on their investments, just 5.5% compared with the S&P Industrial average of 12.7% over the same period. Even now with first quarter profits improving to 6.9%, the industry is still below the profit margin for all US industry which is at 7.5% according to the latest corporate score card posed by Business Week.

I mentioned these statistics because accusations of price gaugings always appear to lurk below the surface when we experience such dramatic price swings. For this reason it is important to note that by API's own rough estimate, some 30 or so federal and state investigations have

been initiated since the early 1970s when gas prices were deregulated and officials have never found any wrong doing. We are confident that any investigations that might be initiated now will result in same conclusion. A chart that chronicles these various investigations and their outcomes are attached to this written statement.

With respect to investigations and by way of information, in January of this year, New York State created a gasoline price stability task force that is headed by the Chairperson of the New York State Consumer Protection Board with the participation of the Attorney General's Office, as well as the Commissioner of the New York State Department of Environmental Conservation, in addition to other agencies. The task force was set up to monitor gas prices when the state MTBE ban was scheduled to begin January 1 of this year. The task force was charged with protecting consumers by monitoring the retail price of gasoline and by investigating any allegation of gasoline price gauging or price fixing that might be falsely attributed to fuel additive change.

CPB set up a website, www.newyorkconsumer.gov for consumers to register complaints. Since the beginning of this year, CPB has followed up on some 300 complaints and some two dozen or so were investigated further. No retailer or wholesaler was found to have violated New York's price gouging statute. More recently even with gasoline retail prices up 58 cents over last year's price, only ten complaints or so have come in to CPB weekly. And to date, none have resulted in a referral to the Attorney General. Up until now, the consumer has been somewhat insulated from the real cost of meeting all of these environmental, supply and refining challenges. This is because consolidation in the industry has produced economic efficiencies and because industry technology has developed so that the cost to manufacture, distribute and market is actually only a nickel more a gallon that it was two decades ago.

So the pressure on gasoline prices comes down to the simple economics of supply and demand. And as you are probably aware, demand is surging, not just because of an improved economy, but also because of consumer habits. According to an EPA report released this year, since 1975, the biggest increase in sales is SUVs, up from less than 2% in 1975 to more than 26% this year. The biggest decrease during this time period has been for cars, down from over 70% to less than 50% during the same time period. According to EPA for model year 2004, light duty vehicles are estimated to average 20.8 miles per gallon, 6% below the '87-'88 peak of 22.1. Compared to 1987, this year's fleet is 26% heavier, 24% faster and 76% more powerful. These are fairly remarkable statistics.

In Suffolk alone, standard passenger vehicles registrations, and this does not include commercial vehicles, have risen from to 910 •• 910,128 to one million twenty thirty•one from 1966 to 2002. That's an increase of 18%. This also happens to be the same percentage, 18% that is, that SUV sales have increased last year. The average consumer is more probably unaware of all these developments, and for the most part, just wants to know the product is there when it's time to fill the tank. But as policy makers, it is our hope that you will take heed of these trends. First we must encourage our Congressional delegation to pass Energy Bill HR 6 if we expect to ensure the reliable availability of energy over the long run. This proposal will enhance investment and lead to greater production. Second, we must promote efficient use of energy. And finally, we should streamline regulations as much as possible so that facilities can be constructed to increase refining capacity. Thank you.

It might be helpful if I responded to some of the things, if that's helpful to you that LIGRA had initiated. First, the mergers. The FTC actually issued a report in April of '02 talking about the mergers. And that's an agency with a great deal of expertise. And when the companies merged, they made them divest a certain facilities and assets in various areas to ensure the post merger activity and competition was the same as premerger. They also, which I didn't know until I read the report, they did a follow up after the mergers, and they found no lack of competition in the market. The FTC is charged with that. You know, there's a lot of appearances that they merged and this is bad. But as long as the competition has remained healthy, the consumer benefits because of the efficiency they develop. Look at, there are three auto makers. How major airlines are there? They are few. So I think one person commented that the majors have 50% of the market. And I guess my response to that is well, who has the other 50%? You can't •• you don't have control of the market if the other 50% is controlled or distributed among competitors.

Regarding what the counties can do. I think one of the things you might consider, and this is really not directed to Suffolk, various localities and cities in Suffolk and in Nassau, they promote zoning •• one town I have in mind that I had to deal with last year, they wanted to restrict the size the gas stations. And it was fairly arbitrary, they just didn't like having gas stations around. I said, well, a new, improved and newly built gas station is certainly an asset. They still restricted the size. One of the things that a dealer can do is if you have a store, that kind makes up for the disproportionate cyclical nature of gasoline product itself. As you know, prices go up and down. In 1999, you could get gasoline for less than a dollar. There's price wars.

But if your steady income through your convenience store can give you is a steady income, this is how you balance out your diversification. Well, when localities start restricting the size of a convenience store and the size of a gas station, these are the kind of things that hamper competitiveness and marketability for the dealer as well as the majors. It also prevents the majors from making investments as well as dealers who want to come into a town or any kind of city out here and make an investment in a new station.

That certainly has to affect your tax base also. So that's •• in terms of what the County can do or look at, that would be my recommendation, to kind of encourage development to increase competition in that way. We do have different figures for taxes and base price of gasoline, but if you look at my testimony, it does emphasize that 66% of gasoline before we refine it, distribute it or market it, 66% of that price is already made. It's in the crude and it's in the taxes. In fact, gasoline prices have gone up and down, and the only thing that steadily has gone up is taxes. Fifty five cents •• 53 cents, I'm sorry, 53 percent •• 53 cents out of that gasoline, proportion wise, you know, a year ago, we were 56 cents lower in gasoline. So a year ago we were at what, a dollar 60? A dollar sixty, 53 cents was taxes. So when we want to talk about profit and profitability, I think maybe looking at taxes is appropriate.

CHAIRMAN ALDEN:

One comment before I go to Legislator Lindsay, you mentioned the big three American manufacturers of automobiles. Well, there was a lot more of them, as we all know, and over the years, because they didn't, whatever, advance with their technological improvements or compete properly, it's been whittled down to three. But on a global basis, there's a whole bunch of companies that actually jumped into the mix and have taken away market share from American corporation that manufacture automobiles. On a global sense, there's less and less oil companies, and there's more and more market control by or manipulation by OPEC. So you don't have that competitive •• competitive situation that you do have with automobiles. So it's a little bit if a different analogy, I guess, as far as manufactured automobiles and the oil company. It really comes back to OPEC on a lot of things as far as the supply side of it. Legislator Lindsay, you had some questions.

LEG. LINDSAY:

The 53 cents that you eluded to over the last year, it's like 40% prices that went up in the last year, it's something like that?

MS. KENNY:

The price of gasoline has gone up 56 cents. This is based on two•ten a gallon. I'm sorry •• yes, 57.6.

LEG. LINDSAY:

Which is roughly a 40% increase over a the cost of a gallon of gasoline.

MS. KENNY:

And crude has gone up from 16 dollars a barrel. I think I said 16, right? Over the last year.

LEG. LINDSAY:

Of that 56 cents, has the profits of the oil companies went up proportionately?

MS. KENNY:

Not if you are paying \$41 for crude and last year ••

LEG. LINDSAY:

Are you making more money on a gallon of gas today than you were last year?

MS. KENNY:

How could that be possible.

LEG. LINDSAY:

Are you or are you not? Are you making more money on a gallon of gas than you were last year?

MS. KENNY:

First quarter? Yeah, profits were at 6.9% compared to five ••

LEG. LINDSAY:

I didn't ask the first quarter. Are you making more money on a gallon of gas than you were a year ago?

MS. KENNY:

The only figures I have are the ones I gave you. I couldn't say.

LEG. LINDSAY:

You don't know?

MS. KENNY:

I would have to presume that ••

LEG. LINDSAY:

You're the industry representative, you know what the profits went up on a quarterly basis, you know what crude oil is around the world, but you don't know whether the companies you represent are making more money on a gallon of gas today than they were a year ago?

MS. KENNY:

The answer is yes. They're making 6.9% greater this year than yes. So I would say that's a profit of 1.1% greater than last year.

LEG. LINDSAY:

So you don't know how much more you are making on a gallon of gas?

MS. KENNY:

One percent.

LEG. LINDSAY:

One percent as opposed to last year?

MS. KENNY:

Yes.

LEG. LINDSAY:

Prices went up 40%, and you're making 1% more than you were last year?

MS. KENNY:

That's because crude is \$41 a barrel more.

LEG. LINDSAY:

I'm going to refer to Bob, because I don't to mess up your last name. The situation that you described before about the major oil companies really controlling the oil from the pump to the well head •• or from the well head to the pump. I mean, when I went to school, that's •• we used to call that a vertical trust where they control everything.

MR. SANTASIERO:

Another good name is monopoly.

LEG. LINDSAY:

Yeah. And it was outlawed in the early 20th Century.

LEG. CRECCA:

They had cars when you went to school?

MR. SANTASIERO:

You might be interested in knowing Socony•Vaccuum and EXXON or SO, when they were forced to split in the '20s, because they were a monopoly, they have grown approximately 17 times greater than they were in the '20s, financially wise, and our government allowed them to get back together again. What does that tell you?

LEG. LINDSAY:

My question, how many less retailers do you have now as opposed to ten years ago?

MR. SANTASIERO:

Good question. In the '80s, we had in New York State, and I •• I'm just going to give you a figure, and I wouldn't swear to it, there was about 9000 service stations in the '80s. I think there's less than 4000 now. That's •• don't hold me to that as far as to the penny, but that's fairly close.

LEG. LINDSAY:

In those numbers, you are not counting the company stations.

MR. SANTASIERO:

I'm counting total stations.

LEG. LINDSAY:

Total stations.

MR. SANTASIERO:

Yeah.

LEG. LINDSAY:

So we went from 9000 to 4000.

MR. SANTASIERO:

Around that, yes.

LEG. LINDSAY:

How many of the 4000 are owned by the companies?

MR. SANTASIERO:

Number wise, not that many. I would say •• I would say 100, okay? But where they are located strategically, especially on Long Island, not so much in the rest of the state, but in the Metropolitan area and Long Island dictates a lot to what is going on with price.

LEG. LINDSAY:

What was the main reason that it dropped from 9000 to 4000?

MR. SANTASIERO:

Attrition as far as the service station? People being forced out of the business, oil companies not renewing leases, third party leases were expiring. See, there was a time when •• when competition was so strong that an oil company would do anything to get a building to put pumps up, to do business against another oil company.

This was rampant in the '60s. They would do anything to get a spot, a little two•base station, three•base station, put pumps up and do business. And they would give you gasoline •• they would you gasoline before you sold it at no charge. One you sold it, you would pay for it. This

is how competitive oil companies were in the '60s and '70s. They really, I must say, are an entirely different breed now, it doesn't happen any more. After they realized they were giving too much away, they starting to pull back, pull back, pull back. And you reach the saturation point with too many service stations. As we all know, there were to many in a lot of locations. So they started to cut back, and gradually we got to where we are now.

LEG. LINDSAY:

How many major oil companies do we have today? Maybe the industry would know that.

MR. SANTASIERO:

Cathy.

LEG. LINDSAY:

I mean, you just rattled off at least five or six major mergers between ••

MS. KENNY:

On the West Coast, ten or 12. The West Coast you have Unical, Conoco•Phillips, EXXON •• EXXON Mobil, Chevron •• Tosco was brought out •• Valero Energy, Murphy Oil. I'm not as familiar frankly with the West Coast distributors because we're based on the East.

LEG. LINDSAY:

So roughly 12. We have roughly 12 major oil companies right now. And that's down from how much? How many did we have at one time?

MS. KENNY:

That I don't know, I'm sorry. It's probably the same, because new competitors rise up. Interesting, I think Charlie Gardner can speak to this better than I can, but I think here in Suffolk, you have 25% independence?

DIRECTOR GARDNER:

Approximately, yes.

MS. KENNY:

Twenty five percent independent operators in Suffolk. So your independent operators in Suffolk is higher than statewide. And it favors competition, obviously, the more stations you have.

LEG. LINDSAY:

But you both agree that competition is a major part of this whole equation. No? You don't.

MS. KENNY:

No. No.

MR. SANTASIERO:

I strongly •• I strongly state that, yes. Of course, I don't think Cathy thinks that, but I do.

LEG. LINDSAY:

If there was just one oil company, the price of gas would still be the price of gas.

MR. SANTASIERO:

Not really, no. You have two of the largest oil companies in the world merge.

CHAIRMAN ALDEN:

Legislator Mystal.

LEG. MYSTAL:

I have a couple of questions. First one for Ms. Kenny. We are not in the habit of trying to insult anybody's intelligence around this horseshoe, but if I give you the geopolitical situation, fine, we have the OPEC and reduction of supply and increasing price, fine, we have the government taxes going up, fine, we have the cost of transportation going up, we have the environmental restrictions and we have consumer demand because of SUVs. Reading the newspapers, Wall Street Journal, New York Times, even Newsday, all of them reported record profits for the oil companies. I know you already said to Legislator Lindsay that you don't know the exact figures, if somehow in this price increase over a gallon of gas •• the gasoline companies, the EXXON Mobile, the Amoco BPs, they are still making, according to again, the newspapers, I'm not talking here, this is what they said, record property for the major oil companies this year, how come?

CHAIRMAN ALDEN:

Just interrupt for one minute. I think we need a definition, though. When you say a major oil

company, is that somebody who is pumping the oil out of the ground?

LEG. MYSTAL:

No. We're talking about the major oil companies; EXXON Mobil, the Amoco BPs, the ConocoPhillips, you know, that's •• you know, I'm piggy backing on Legislator Lindsay's question to you was that you know how much profit •• you said they're making one cent.

MS. KENNY:

Well, actually that's •• well, if last year, the profit margin was, I think I said •• actually I have a chart in front of me. It was 5.3 the last five years, last year it was 6.4, and now it's 6.7. After I responded to that, there was a difference of one percent profitability, but that probably not just on gas. That's on the refining end of the business as well as the distribution. So 1% you have to say is the industry profit overall. I don't know what •• I haven't gotten it broken down to a gallon of gasoline.

I do have here, this is a chart, oil industry profits are in line with other industries. And at the top, for example, the •• this is another, you referred to periodicals, this is from Business Week, this is not our's. They put out a corporation score card, I don't know if it's every quarter or once a year, but at the top are banks; their profit margin is 19.6%, food and beverage is at 6.9, pharmaceuticals is 12.8, consumer durables and apparels at 6.0, real estate is at 16.4, and the oil companies are at •• what did I say •• 6.7.

So when you talk about profitability •• I don't know how else to get my point across. If you make a widget and let's just say plastic goes into making this widget, and I'm paying \$10 last year to make get this plastic and then this year I'm paying \$20, so, therefore, my market price has to go up, you can't assume that my profit is going up because you are paying a higher price. It's based on what the raw product costs. Milk is a very good example, milk is now up to over \$4 a gallon. I'm surprised I don't hear more outrage about that. I mean, I don't know how else to explain. This chart may help you look at industry profits in relation to other industries. Yes, we're here to make a profit, our shareholders expect it.

LEG. MYSTAL:

I would like to dispel the idea that any profit that is being made is being made by corner gas station, because I think these people are being as squeezed like the customers are. And they're working •• you know, you go there in the winter time at two o'clock in the morning and need

gas, somebody is out there. That's a hard job. You can hardly find anybody to do that job except some of your immigrants. Anybody goes to a gas station lately will not be able to find anybody who can do it because they don't get paid. We can't find it that low a cost to do that job. I'm trying to dispel the idea that somehow the price of gas is being the result of the retailers, because ••

MS. KENNY:

I didn't say it was the retailers.

LEG. MYSTAL:

You just gave me your figures. I'm just telling you what I read in the newspapers. And when the newspaper like Wall Street say record profit, they don't mean just the normal profit that a company would make. I think that means something else besides that when they say record profit.

MS. KENNY:

When you say record profits, I think what is meant is if your profit low last year and now it's within ••

LEG. MYSTAL:

I don't think at all this industry's profit has ever been low. They've making money since this thing started. But anyway, I'm going to try to ask another question of Bob here. We've talked before in terms of trying to reduce the cost •• the taxes that government imposes on a gallon of gasoline, you don't have any figures how much money that Suffolk County gets out of that money, out of a gallon of gasoline, you don't have that?

MR. SANTASIERO:

Suffolk County would just get from the state excise tax and would get from the sales tax.

LEG. MYSTAL:

Okay. So Now I have to turn to Budget Review. You don't have that?

MR. LIPP:

We don't have the dollars, although we could probably find that out. But it's plain and simple, the County receives its portion of the eight and three quart percent sale tax Mr. Spero just mentioned earlier, and in addition there are state and federal excise taxes on top of that.

LEG. MYSTAL:

What I'm driving at is if we as Legislative body were to do something in terms of removing that tax or cutting it in half, how do we make up that money. That's my question. How do we make it up?

MR. LIPP:

The obvious things; cut expenditures, raise fees, raise property taxes. But as a note in terms of cutting the sales tax for individual items, it is a state administered sales tax. So it would be very difficult for the state to be interested in reducing any one particular item in the base unless it wanted to be do it too. Case in point being the clothing exemption, which was eliminated. But it was a state•run initiative, and we piggy backed on it. So it would have to be a state run initiative likelihood that we would have to piggy back on.

LEG. MYSTAL:

I'm interesting in trying to find a way to plug up that hole.

MR. LIPP:

We'll get back to you on that.

CHAIRMAN ALDEN:

Legislator Crecca, then Legislator O'Leary.

LEG. CRECCA:

I just want to jump back to, and I guess, Bob or Cathy, doesn't matter which, the federal taxes a gallon of gasoline is how much?

MR. SANTASIERO:

Eighteen point four.

LEG. CRECCA:

Per gallon?

MR. SANTASIERO:

Yes.

LEG. CRECCA:

Eighteen point four percent or 18.4 cents?

MR. SANTASIERO:

Cents.

LEG. CRECCA:

Cents. And then the state besides the sales tax, has the gross receipt tax of 14.2%?

MR. SANTASIERO:

Fourteen•six.

LEG. CRECCA:

Fourteen•six per gallon?

MS. KENNY:

Grows receipts.

MR. LIPP:

There's also another eight cents on top of that, the fuel excise for the state.

MR. SANTASIERO:

Fuel excise tax and the ••

LEG. CRECCA:

Is eight percent or eight cents?

MR. LIPP:

Eight cents.

MR. SANTASIERO:

Eight cents.

LEG. CRECCA:

Okay. Eighteen point four cents per gallon is regardless of what the price of gasoline is?

MR. SANTASIERO:

Yes.

MS. KENNY:

You want to know the total?

LEG. CRECCA:

I'm getting there, yeah. I just want to make sure that I understand where it all lies. So New York State has the eight cents excise tax per gallon, they've got 14.6% gross receipt •• gross receipt tax on top of it, am I missing any other taxes besides sales tax?

MS. KENNY:

Statewide volume weight tax. There's a statewide volume weighted average prepaid sales tax of ten cents per gallon, 9.2 cents per diesel. There's also a spill tax of .3 cents per gallon, that's three•tenths of a cent.

LEG. CRECCA:

I remember there were a couple of small ones.

MS. KENNY:

Point 05.

MR. SANTASIERO:

Point zero eight five.

MS. KENNY:

The total we have is 32.95 for New York State taxes, and for diesel it's 30.35.

LEG. CRECCA:

All right. When you say 32.95, is that before we get to the gross receipt tax?

MS. KENNY:

That's total. All of those little numbers add up.

LEG. CRECCA:

That's New York State?

MS. KENNY:

New York State.

LEG. CRECCA:

Per gallon?

MS. KENNY:

Yes.

LEG. CRECCA:

But the 32.95 ••

MS. KENNY:

Then you add the 18.4.

LEG. CRECCA:

Based on what price then? It does matter, because ••

MS. KENNY:

Well, today's price is two ten, so the excise tax, 8%, you know.

LEG. CRECCA:

That's not right, because you told us before it was about \$1.35 a gallon.

MS. KENNY:

The price of gasoline, the excise tax is going to go up. So the way the state does it, if I

understand it correctly and Kevin may be better at this than I am, once •• prices are set twice a year, and if the price goes up more than 25% within three months, then they make an adjustment. So these are the taxes you are paying right now.

LEG. CRECCA:

Go through a gallon of gas ••

MR. SANTASIERO:

Mr. Crecca, Cathy is just a little mistaken on the sales tax. She is giving you the prepaid sales tax, the actual sales tax is 18.5 cents a gallon on two dollars, okay? The prepaid is ten cents. So in other words, we pay ten cents a gallon before we sell the gas. So she is giving you a figure which in reality is over 18 cents a gallon.

LEG. CRECCA:

When I go to the pump, if somebody can answer this, and the gas is two•fifty a gallon, how much is tax?

CHAIRMAN ALDEN:

The did it on two or two•ten.

LEG. CRECCA:

I don't care what you do it on. Give me a number. I just want to know how much of this is tax.

MS. KENNY:

About 53 cents.

MR. SANTASIERO:

I say about fifty•nine cents.

LEG. CRECCA:

A gallon.

MR. SANTASIERO:

Yes.

LEG. CRECCA:

Does that include the gross receipt tax?

MR. SANTASIERO:

Yes.

LEG. CRECCA:

Look, I'm not here to stick up for the oil companies by any means, okay, but, you know, let's •• let's also recognize that government is to blame here too for the price of gasoline. And shame on New York State, and to a certain extent, shame on the Federal Government, but more New York State for the amount of taxes we put on gasoline. You know, like a gallon of milk or certain other items, it is one of the essentials to live in New York State and specifically on Long Island, you have the need to use gasoline. And to tax it this heavily •• I have no problem with the environmental taxes and the measuring taxes that are minor, but when you start looking at a 14.6% gross receipts tax on top of everything else, government is being a pig.

MR. SANTASIERO:

We has asked the Governor, before Governor Pataki, Governor Coumo, to remove that 14.6 cents a gallon, he refused to do it. When Governor Pataki took over, he refused to do it. This would make an even playing field with Jersey if we could have that tax removed, that really would stop all of your bootlegging also on the Island. It's a simple matter to remove that tax, and nobody seems to want to do it.

LEG. CRECCA:

And correct me if I'm wrong, but now when gasoline hits like \$2 a gallon, you are talking about we're adding another close to thirty percent •• thirty cents on a gallon of gasoline with this gross receipt tax.

MR. SANTASIERO:

No. It's still 14.2 cents. The excise tax goes up and the sales tax goes up, gross receipt tax doesn't go up.

LEG. CRECCA:

Oh, the gross receipt is 14.2 cents, not percent?

MR. SANTASIERO:

Yes, 14.2 cents.

LEG. CRECCA:

It's still disgusting.

MR. SANTASIERO:

Still too much, right.

CHAIRMAN ALDEN:

Legislator O'Leary.

LEG. O'LEARY:

A lot of the answers were given to the questions I was contemplating asking, but I just want to clarify my mind, Ms. Kenny. It's statement, if I understand correctly, that the increase in a price per gallon of gasoline is directly related to the increase in the cost of a barrel of crude plus the proportionate tax increases that go with that and little or no impact on the profitability margin for the oil companies comes into play, is that what you're saying?

MS. KENNY:

What I said, I think, is that 66 cents of every gallon of gasoline is set before you add refining, distribution and marketing costs.

LEG. O'LEARY:

Well, I mean, part of your statement, your prepared statement indicates that with the price of a barrel of crude going up in the past year 16 dollars a barrel, that equates to 39 cents a gallon of gasoline. So right off the bat, is increase in gasoline is 39 cents a gallon because of the increase in the price of crude.

MS. KENNY:

Correct.

LEG. O'LEARY:

And proportionately those tax that are percentage wise, that increase would go up as well.

MS. KENNY:

Correct.

LEG. O'LEARY:

And If I understand your statement correctly, little or no affect or impact on these increases is focused or targeted to the profitability margin to oil companies. One percent is what you said.

MS. KENNY:

That's for •• yes, for the whole industry.

LEG. O'LEARY:

All right. So is it safe to assume then that basically the price of gasoline is contingent upon the price of crude?

MS. KENNY:

Precisely.

LEG. O'LEARY:

And that's basically what we're talking about here. If crude goes up, so does the price of gasoline, because they tax it proportionately, right?

MS. KENNY:

Right.

LEG. O'LEARY:

All right. What is the possibility, if it's every occurred, I don't know, the price of crude fluctuates? Does it go up and down on a regular basis?

MS. KENNY:

Yeah. We have loads of charts that show that.

LEG. O'LEARY:

Because a year ago according to your statement, a price of a barrel of crude was \$26 and now

it's 42.

MS. KENNY:

Correct.

LEG. O'LEARY:

What's the likelihood of that decreasing?

MS. KENNY:

Well, because of anti-trust reasons, we don't predict prices. In fact I read the other day, and this not API's number, but that there's an eight dollar per barrel terror factor in the price of crude. You know, when the Saudis just announced that they were going to put two million more barrels a day on the market, now, psychologically, you would say that the market should have received that well, but they didn't. And there's •• it's not just •• it's not even just simple economics. It's like a commodity, it's like a stock that goes up and down daily. And like your stocks, usually in the industry, prices are higher during the driving season, you have no •• even if you got more oil into this country or even produced more, you don't have any refineries to refine it. If you're at 94.5%, there's not much more margin there. So I think the problem with imports is going to be with us for a while. And until the situation in the Mid East and these other countries, OPEC countries like Venezuela calm down, there's going to be a psychological impact. It doesn't matter what it actually physically cost you to get product to the market any more when you deal with petroleum, the price is set as much as the psychological impact as any other commodity.

LEG. O'LEARY:

It would appear to me that the entire gasoline oil market is dependent upon that price of that barrel of crude.

MS. KENNY:

Yeah. We import 62% of our product.

LEG. O'LEARY:

Right. Everything is geared and focused on that particular item. And we as government

officials whether it be on a federal, state or local level can do something with respect to the taxes that are applicable to the price of gasoline and oil. But on an international basis, I mean, the price of crude is would you say •• is it safe to say is beyond our control that OPEC ••

MS. KENNY:

Yes. That's the problem.

LEG. O'LEARY:

But you can't comment on the likelihood of that decreasing. I mean, does crude •• does the price of a barrel of crude go down at any time?

MS. KENNY:

Oh, sure.

LEG. O'LEARY:

It does.

MS. KENNY:

I mean, last year it was \$16 less. That's not so long ago.

LEG. O'LEARY:

That's an increase of \$16. It's 42 now.

MS. KENNY:

Yeah, but in 1999 •• they don't have that particular year on this chart. It's also gone up. Compared to 1981, adjusted for inflation, you are paying 25% less than you did in '81. So that's an example of prices going up and down.

LEG. O'LEARY:

But it appears to me the trend would always be upward and rarely will it go down.

MS. KENNY:

No. I wouldn't say that's true at all.

LEG. O'LEARY:

That's not true?

MS. KENNY:

No.

LEG. O'LEARY:

It does fluctuate favorably downward?

MS. KENNY:

I have a chart here that at trends in gasoline, and this goes back to '99. All right. Let's just take the Year 2000, crude was thirty•seven twenty a barrel, in 2001 it was \$17.45 a barrel, in 2003 it was thirty•seven eighty•three a barrel, that was March of 2003, in May of 2003 it was twenty•five twenty•four a barrel. So this chart kind of reads like an electrocardiogram.

CHAIRMAN ALDEN:

Legislator O'Leary, I had Budget Review prepare a chart.

LEG. O'LEARY:

I haven't seen that chart.

CHAIRMAN ALDEN:

It's in your package. There's the price of gasoline over there.

LEG. O'LEARY:

My final question. In light of the fact that the statement you make is that there could be a distinct possibility that the price of crude goes done ••

MS. KENNY:

I can't say that. I don't predict future prices.

LEG. O'LEARY:

Because it's anti•trust or whatever. Would the oil companies then be concerned about their 1% profit, would they be looking to increase it or would they lower their profitability?

MS. KENNY:

The market sets the price pretty much. So if you're paying less for crude and the guy next to

you is paying less for crude and he brings down his price, the market sets the price pretty much. I think one of the things that consumers should be aware of is that, you know, people are talking about releasing product from The SPR, that has less than 1% of our daily needs so it's going to have a trickle effect. But you have supply, you do not have a crisis here. I mean, refineries are pumping out, they're getting imports. I remember back, I guess, it was when we had rations, you could only go every other day depending on your license plate number. You know, despite all of these world events, they are getting supply through.

So I don't really think you have a crisis. People react to gasoline prices because they are so well published. But if this chart is history, they do go up and down, and I think you can probably count on history. One way we •• we look at the future markets to see where contracts are going. And I think Kevin told me this morning for the July contract which is for August deliver on the mark was at \$41. So you're going to have this tight situation I would anticipate and the analysts anticipate this for a couple of months.

LEG. O'LEARY:

Well, my •• after hearing this testimony, my view point is that the rest is a combination of factors that have to be addressed; the government and the taxing entity as well, the oil companies and the profit margin, as well as the price of a barrel of crude. So there's a lot of entities that are going to be involved in this whole process to try to address the issues of the consumer to get gasoline at reasonable rate and price. Thank you.

CHAIRMAN ALDEN:

Legislator Lindsay.

LEG. LINDSAY:

I'm not subject to any restrictions by anti•trust or whatever. I predict that the price of gasoline will go down after Labor Day, after the driving season is over. And the home heating oil prices will go up at that point, that's the cycle of things. Cathy, if I may, your testimony was that supply is not a problem, and I remember '73, and I remember '77, and I remember the gas lines, there seems to be an abundance of refined fuel, you know, that doesn't seem to be a supply problem.

MS. KENNY:

I didn't mean to say there was no supply problem. Supplies are tight, inventories are down 8%

over last year, and that's because of the reasons I stated in my testimony.

LEG. LINDSAY:

But there's no rationing, there's no lines, there's nothing like that.

MS. KENNY:

That's what I meant.

LEG. LINDSAY:

As long as we're to pay top dollar for the product, there's not a supply problem.

CHAIRMAN ALDEN:

Cathy, I don't know if you can see the chart now, because it got turned a little bit, but that chart goes back to, I believe, '96 and it runs to current, and as we can see, that's the price of gasoline in the downstate region.

MS. KENNY:

These are EIA figures?

CHAIRMAN ALDEN:

Yes.

MS. KENNY:

Okay.

CHAIRMAN ALDEN:

Is that the type of fluctuation you were talking about before when you were mentioning •• I guess it would coincide or does it coincide with the price of crude?

MS. KENNY:

My chart has two lines, and it shows you the direct correlation between crude and retail prices. So when you see this bump go up, this goes up. When this bump goes up, that bump goes up. I might •• this is also DOE. It's got API's on it, but these are DOE figures.

CHAIRMAN ALDEN:

Then the thing that would go into our chart would be a little bit more supply because it's more •

- it's specific downstate rather than your's. If it's DOE, that has to be the whole country.

MS. KENNY:

Well, DOE breaks their information down by pads, and we're in pad one.

CHAIRMAN ALDEN:

Pad one includes Upstate New York, too?

MS. KENNY:

Includes ••

CHAIRMAN ALDEN:

Metropolitan •• New York Metropolitan area, I think, right?

MS. KENNY:

Pad one is like the New England states and the Mid Atlantic, I think. I think there are 12 in the country •• or ten. They do break it down by areas. I'm just looking at our prices. These are retail gas?

CHAIRMAN ALDEN:

Yes, that's retail gasoline. Pretty much right here out in Nassau and Suffolk.

MS. KENNY:

This is their •• it looks pretty much the same as the national actually. And I think DOE's numbers are •• don't include taxes; is that right? I think they don't.

CHAIRMAN ALDEN:

Right.

MS. KENNY:

So it's hard •• you know, it's hard to take a national figure and apply it locally.

CHAIRMAN ALDEN:

I realize that's tough. Do you thing there's any affect on the price of oil •• it was reported in Newsday approximately a week or so ago that the United States has an aggressive policy of adding to its •• it's strategic resources or the reserves?

MS. KENNY:

Yes, we are.

CHAIRMAN ALDEN:

And is that causing the price of oil to go up?

MS. KENNY:

Not really. There's three or four times when they released product from the SPR to adjusted prices, and they rarely had that effect. One of the things that happens is that when you do something, the market does something else. So let's say, example, the release a million barrels, I don't even know how much they have now, I think it's supposed to have a three month supply, the SPR. The OPEC can just reduce their output. You know, the market is elastic, and things respond to it. The other problem is it is for emergencies, and we don't have emergency. But I'd say more than ever, we probably need it now considering the terrorists threats that are left and right. Fooling around with the SPR •• first of all, Congress didn't intend it for the purpose of manipulating market prices; secondly, it has not been a very good tool when it's been used in the past to manipulate prices; and thirdly, frankly, we need it.

CHAIRMAN ALDEN:

I was just concerned that by adding to it we might just be driving the price up, because while it might not be a national emergency, I'm going to say that that kind of a price where it just goes straight up like that, anybody on Long Island that is on a fixed income or •• not even a fixed income, just, you know, we don't get raises here on Long Island, people don't get ten, 20, 30% increases in their income, and yet the price of gas has gone up dramatically. And that's why we're actually calling these hearing to look at some of those things, because that impacts people, you know, more than I can think any other thing could except or heating oil which, you know, we have been looking at that problem for a number of years also.

MS. KENNY:

You know, for one county to do something, I think, is very difficult. You do have •• in front all the consumer products, gasoline is probably the most monitored. I mentioned the state task force. You can go online, I cant' go on line for other products, but I can go online and find out where the cheapest gas is in my area just by putting in my zip code. I think Charlie Gardner used to do a price survey, I don't know if he still does. So there are ways for consumers to shop wisely, to consume less. There are •• it's an equation that all factors will have to change.

But if you look at the big picture, these thing are small; when you are still importing 62% of your product. You lack essentially 62% control over what the price is going to be.

CHAIRMAN ALDEN:

On a global basis, yes, it's all small, but when, you know, you go to reach into your pocket and you've got •• you've got \$20 and you need that to go back and forth to work for the two next weeks and that \$20 gets you back and forth to work for three days, now you've got a major problem. On a local level, it's a huge problem.

MS. KENNY:

Absolutely. Absolutely.

CHAIRMAN ALDEN:

Do we have any other questions from the committee? I want to thank both of you •• oh, I'm sorry. Legislator Mystal.

CHAIRMAN ALDEN:

Legislator Mystal.

LEG. MYSTAL:

This is for Ms. Kenny. Not to belabor the point, just in case you wanted to know, the CEO, Chairman •• one of the CEOs of EXXON Mobil reported, boasted, in the newspapers that the company has earned \$74 billion, which is more than the combined profit of 400 of the 500 companies in the industry. So in terms of profitability, what I'm saying is that somebody, I don't know who, somebody is making a whole lot of money, a whole •• and it's not the little guy in the corner, somebody's making •• when you can report, boasting really, that we made \$74 billion in the past five years, that's one company, EXXON Mobil. So the fact that you are telling me that they're not making that much money, their profit has not increased that much over the past five years from what they've been doing, the price of gas keeps only going up and they keep making more and more and more money. You're telling me, you know, somehow •• I just wanted to put that on the record. You don't have to answer that, because you don't have an answer for me

MS. KENNY:

Well, the only response I have is, yes, a big company is going to have big numbers. So that's all I can say to that. New York State •• you talk about big numbers, I think New York State

collects over 2 billion a year in gasoline taxes. So that's a big number too.

CHAIRMAN ALDEN:

I want to thank both of you. You have given immense amounts of information to us. You'd like to make a summary.

MR. SANTASIERO:

Just one parting fact, gentlemen and ladies, invite me back in three years if it's not \$5 a gallon.

CHAIRMAN ALDEN:

Thanks a lot. I think there are a number of avenues that we have to really pursue. And Legislator Lindsay brought up one of the most interesting ones that we had back in the '20s we had major oil companies that were broken up with the anti-trust or trust busting and that a lot of those companies seem to have gotten back together again. So the government has obviously changed its mind •• the federal government has changed its mind as to what direction it wants to go in on that. But that was under Rockefeller they put all those oil companies together and now it seems like they're coming back.

PUBLIC HEARINGS

CHAIRMAN ALDEN:

All right. We have two public hearing scheduled for today. I'm going to ask the Clerk's Office is the proper notice was given on IR 1500•2004 and IR 1566•2004?

MS. JULIUS:

Yes, Mr. Chairman, the affidavits are in proper order and were dually filed.

CHAIRMAN ALDEN:

Thank you very much.

IR 1500•2004. A Local Law to reform the awarding of Suffolk County Government contracts to restore public confidence. (BINDER).

CHAIRMAN ALDEN:

I don't have any cards on that. Does anyone wish to address this committee in this public hearing? Yes, sir.

CHAIRMAN ALDEN:

Just state your name for the record.

MR. GROB:

My name is Fred Grob. I'm a Smithtown resident and retired business man, and I serve Suffolk County as one of the members of your Campaign Finance Board.

CHAIRMAN ALDEN:

Just to point out, I have a card for you to speak on public portion.

MR. GROB:

That's correct. I thought this was the public portion.

CHAIRMAN ALDEN:

Actually, this isn't the public portion, we are having a specific public hearing, but it's relevant, so make your comments here.

MR. GROB:

I wanted to comment on two matters, 1500 and also 1566. Good morning, ladies and gentlemen. My name is Fred Grob, you heard that. I'm here this morning to comment on two pending resolutions regarding campaign finance matters; IR 5000 in four is a proposed law to reform the rewarding of Suffolk County Government contract to restores public confidence. I would like to commend Legislator Binder on his usually insight in noting that to use what are probably his worked, quote, there exists a public perception that corruption, bribery and dishonesty exists with the County government and that the government contracts are frequently awarded on the basis of political contributions, end of quote.

There can be no doubt that Legislator Binder is correct in his observation, and that some political contributions probably do have corrupting influence. It appears that the Legislative intent of this particular IR might be better served if all County employees were prohibited from soliciting funds or anything of value from County contractors. In all probability such legislation already exists, in which case the proposed legislation is redundant, is it not?

Regarding IR 1566, it is entitled, a local law amending Local Law 20•2002, to provide accurate and truthful filing responsibility for County election campaign finances. This Legislative intent is

already fully met by your existing legislation, which established the Campaign Finance Board. Your Campaign Finance Board is an independent non partisan body concerned only with campaign finance matter, and it's quite capable of providing the accurate truthful and efficient filing of campaign finance data which you seek. In actuality it has demonstrated that ability in many thousands of previous filings with only one single filing error.

The Board of Elections, which you would substitute as the filer, as now, is charged by law with the administration of all other details of County elections. The BOE is clearly bipartisan and is no way •• and in no way may be considered a non partisan board. The presumption that the BOE might better provide accurate truthful and unbiased disclosure of campaign finance data is unfounded and clearly erroneous. To make a substitution like that is in effect feeding the chickens to the foxes. A vote in favor of this resolution is but another attempt on the part of the majority in this Legislature to hobble and disable campaign finance reform in Suffolk County. Not many years ago, two•thirds of the voting public supported the campaign finance reform referendum. If you vote in favor of this resolution, you are in effect telling those voters that you don't give a damn about their referendum vote.

I urge you to vote against Resolution 1566 so that your constituents may be able to know that you favor campaign finance reform and good government in Suffolk County. Thank you for your attention.

CHAIRMAN ALDEN:

Thank you. Any questions? Does anybody else want to address us on.

IR 1500 in the public hearing that we are holding right now? Seeing none, I'm going to make a motion to close that public hearing, seconded by Legislator Nowick. All those in favor? Opposed? That public hearing is **closed**. **(VOTE:7•0•0•0)**.

1566•2004. A Local Law amending Local Law 20•2004, to provide accurate and truthful filing responsibility for County Election Campaign Finances. (BINDER).

CHAIRMAN ALDEN:

I have one card from Lee Lutz.

MR. LUTZ:

Good morning. Legislator Binder has introduced for the third time a bill designed to remove responsibility from the Campaign Finance Board for electronic filing system or EFS for County candidate campaign financial disclosure. The bill, IR 1566, purportedly moves the responsibility for the EFS to the Board of Elections. This latest attempt to reverse the will of the Legislature expressed by its approval of Resolution 872 over a year and a half ago contains the same flaws as the previous two, both of which failed to become law.

First, the publically approved referendum that created Suffolk's Campaign Finance Reform Program mandated that among other tasks, the Campaign Finance Board create a data base of campaign finance disclosure information and make it available to the public. This has been accomplished. This bill even if approved, would not alter that requirement. Since the Campaign Finance Board is already required to maintain this data base, requiring the Board of Elections to create and maintain another one seem duplicative and potentially wasteful of taxpayer money.

Second, this bill would yield the County's responsibility for ensuring full disclosure of financing of campaigns for County offices to a state agencies; the Board of Elections. By doing so, it limit or nullifies its capacity enforce its disclosure mandates. We understand that both Election Commissioners have recently expressed interest in developing an electronic filing system. However, since the BOE is a state agency, the County Legislature has no authority to require the Board of Elections to create and maintain an EFS or online data base. The people of Suffolk would be left with no guarantee that such a system would exist in the future, assuming it was implemented at all.

The Campaign Finance Board would also remind the Legislature that through its own initiative and with the Legislative assistance of this body and financial assistance of the previous County Executive, it has already developed and implemented an electronic filing system for campaign disclosure data. The board is and this Legislature should be proud of the creation of this important tool for democracy. It is to the best of our knowledge the first of its kind in the whole nation. Since IE 1566 would remove the requirement that candidates and political committees submit their data to the board's existing EFS, it would become effectively useless even if technically it still exists.

However and most importantly, this latest bill introduced by Legislator Binder contains one new

and disturbing element. It actually removes the requirement that there be an online disclosure data base connected to the electronic filing system. Passage would at best result in an EFS administered by the Board of Elections but virtually useless to the public. The BOE would not be required to provide public access to the data base. The primary point of electronic filing is the ability to instantaneously and reliably provide this vital data to the public. Why bother to even have an EFS if it is not used for its primary purpose?

The board sincerely hopes that Suffolk County would not retreat from its national leadership position on campaign finance disclosure. Passage of this Bill would do that. The residents and voters of Suffolk as well as the towns, states and nation itself need and want the ability to know from whom candidates for public office receive the funds to run the campaigns and how that money is spent. Providing an easily accessible source for that data is an accomplishment Suffolk must not reverse. The Campaign Finance Board calls on this Legislature to once again defeat this proposal. Thank you for your time and consideration.

CHAIRMAN ALDEN:

Any questions? Thank you very much.

MR. LUTZ:

Thank you.

CHAIRMAN ALDEN:

On the public hearing for IR 1566, is there anyone else wishing to address this committee? Seeing no one, I make a motion to close, seconded by Legislator Crecca. All those in favor? Opposed? The public hearing is **CLOSED. (VOTE:7•0•0•0).**

In the public portion we have three cards. The first is Kelly Platt.

Hi, Kelly, you have three minute.

MS. PLATT:

Okay. My name is Kelly Platt, and I reside in Center Moriches. I'm here in reference to IR 1277. I heard earlier during this meeting that Legislator Fisher is looking to table this. I just want to make sure that, you know, I want to be invited to any type of open meetings that she will be having with Long Island Business Institute with Bob Wieboldt. I'm here to protect consumers and also myself as a right as a consumer for buying a new construction home. As you know, I've been here in reference to this Resolution IR 1277 since February since I first

brought my complaint to this board.

I just want to make sure that Bob Wieboldt does not try to pull the wool over our eyes and this Legislature's eyes just to benefit the builders who build new construction homes, because there are several new construction home builders who are actually working as unlicensed home improvement contractors. And I've also submitted proof to this board as well. And I just want to make sure that the consumers are protected. And I want to be invited to any type of open meetings that they have that this Legislator will be having with Bob Wieboldt and the Long Island Builders Institute. Because it was Bob Wieboldt who actually got the community preservation fund pulled off of the ballot for the Town of Brookhaven. And Bob Wieboldt is looking to benefit the builders, and that's just it. He's not looking to benefit the consumers who are buying actually new construction homes. That's all I have to say on this.

CHAIRMAN ALDEN:

I can guarantee that any meeting we have would be an opening meeting. I can't guarantee what individual Legislators would have as far as meetings with Mr. Wieboldt or with anyone. So as far as that goes, you definitely will be invited. This can't go anywhere without coming back to this committee. So, you know, you will be notified as far as when there will be an open meeting just like this meeting today when you can address us on it.

MS. PLATT:

Because I want to be invited to any type of meetings that are going to be held between Bob Wieboldt and whatever Legislative body that is going to be there just so I •• I want to hear to what his offers are, and I want to get input into what my offers are.

CHAIRMAN ALDEN:

I would suggest that you contact Legislator Vioria•Fisher, because it seems like she might be in some kind of communication or in contact with him. And those meeting we wouldn't have anything, you know, really officially to do with. I don't •• I'm not aware of any that are scheduled, you know, in conjunction with this Legislation. So the only thing I do know about is a committee meeting. Thanks a lot.

MS. PLATT:

Thank you. Okay. And Lee, Lee Lutz, you've indicated you want to speak on IR 1515, 1516, and 1500.

MR. LUTZ:

Good morning once again. The board would like to address briefly three resolutions on your agenda today. First, IR 1515 introduced by Legislator Nowick. This bill directs that a web page be installed on the County's web site specifically intended to solicit voluntary contributions to the campaign finance fund. The second, 1516, also introduced by Legislator Nowick would apparently, and the text is a little bit ambiguous, require any newspaper that would like to be selected as an official County paper to provide at least a quarter page space at least four times per year for the purpose of an advertisement soliciting a contributions for the fund.

The board is grateful for Legislator Nowick's efforts to effect a funding method for Suffolk's program. A viable mechanism is required if the program is to succeed as its supporters envisioned upon its overwhelming approval by the voters in 1998. Unfortunately, neither of these proposals is likely to raise significant funds for Suffolk's program. And even if both were to become law, the funds likely generated would still be insufficient. Nonetheless, the board supports any effort to find the program and urges the Legislature to adopt both measures. They would provide a funding bridge until an appropriate and viable funding method is implemented. The primary limitation of both bills is that they are not capable of reaching all the residents of Suffolk County, therefore, limiting the potential pool of contributors.

The second measure, utilizing space in the official papers is particularly restricted. The County's official papers are usual local weeklys serving a small portion of Suffolk's geographic area and, and therefore, only capable of reaching a fraction of its residents. To restate the board's long held position, the recommended method of funding and public financing program for the County's candidates is through the general revenues of the County.

Since taxpayer money is appropriately used for the public good and there can be no public good more important than the election process for their public officials, it qualifies as an appropriate use for those funds. Also when the residents of the County are made aware of the proven benefit of similar public financing programs across the country and its miniscule cost estimated to be fifty cents per person per year in Suffolk County, that's fifty cents per person per year in Suffolk County, support for such a method of funding is likely to be very large indeed.

Finally, the board would like to address the committee regarding IR 1500. In this bill's Legislative intent, Legislator Binder acknowledges the, quote, public perception that corruption,

bribery and dishonesty exist within the County Government, end quote. He also indicates that a source of this perception is political contributions. This Bill would prohibit certain exempt County employees from soliciting contributions. This seems to the board to be a good start. Thank you.

CHAIRMAN ALDEN:

Thank you. Any questions? Thanks a lot, Lee. David Sloan. You're addressing us on IR 1558.

MR. SLOAN:

Good morning. David Sloan, Certilman Balin. I'm an attorney for Starlight Properties, which is an affiliate of the Grucci Fireworks Company. This involves an 88 acres situated in Yaphank upon which the fireworks is presently located. Due to a this •• I'm sure the members of the committee are aware, this property was acquired in a swap on January 6, 1986, at which time the •• my client acquired this property. And a part of the agreement was 30 acres of this property, the development rights were transferred to the County as a perimeter as far as a buffer is concerned.

The deed of the development rights was dated January 6th, 1986, and the area over which the County held the development rights was to remain natural. The •• due to a change in the operation, my client has filed a subdivision back with the Town of Brookhaven in 2001 to subdivide this land into five lots. He intends to retain 20 acres of this for the operation of the business, the balance not being acquired by him any longer.

On July 3rd, 2002, Suffolk County Planning reviewed the subdivision and made a recommendation that in the event adjacent properties are improved in the future, the town may want to consider provisions for opening an alternate access in the form of a tap street. Covenants and restrictions regarding the Suffolk County development right would need to be modified. Thereafter, on November 17th, 2003, the Planning Board of the Town of Brookhaven in approving the subdivision also made, following the County's lead, requiring two tap roads through these areas, Which obviously requires an application to this board in order to modify the development rights. My client is in a Catch•22; the subdivision has been approved, this condition, which in effect was imposed by the Planning Commission of the County, and requests that the tap roads be authorized. I'd be has been to answer any questions you may have. Thank you.

CHAIRMAN ALDEN:

Legislator O'Leary.

LEG. O'LEARY:

Good morning, Dave. It's my understanding that the •• the sales of the portions of the properties currently owned by your client will not come to fruition or closure without the construction of these tap roads that you're referring to.

MR. SLOAN:

Yes. In as much as these roads are a condition of the approval of the subdivision plan, we can't file the map until they are approved. And accordingly, we can't have a sale of any of the lots until the map is filed in the County Clerk's Office.

LEG. O'LEARY:

And there is currently a contract of sale, deed and covenants with the County of Suffolk regarding that buffer area where the tap roads would have to go into and you are aware of the fact, of course, that upon pavement of any •• one of the resolve clauses in the resolution is that upon payment of any and all sums due to the County of Suffolk under the provisions of the contract of sale, deed and covenants will be authorized providing those pavements are made.

MR. SLOAN:

That's correct. I believe the payment under certain circumstances is approximately \$206,000 that my client would have to pay the County.

LEG. O'LEARY:

That's right. I just wanted to clarify that for the record. Thank you.

CHAIRMAN ALDEN:

Legislator Mystal.

LEG. MYSTAL:

Good morning. I'm trying to understand this, so you may have to explain it to me like a four year old. The County apparently either bought or exchanged for the development right over a parcel of land, 30 acres or something like that

MR. SLOAN:

Right. The County owns the perimeter of this property. The County owns the development rights over the perimeter of this property.

LEG. MYSTAL:

Over the property •• we're not building on the property that we own, we're just building on ••

MR. SLOAN:

We're not building any •• we're not building on anything that the County owns.

LEG. MYSTAL:

We just want a road to the property?

MR. SLOAN:

We just want a road through, that's correct.

LEG. MYSTAL:

Just a road through.

MR. SLOAN:

That's correct. Two roads, two tap roads, ten feet in length, 60 feet wide.

CHAIRMAN ALDEN:

Legislator Lindsay.

LEG. LINDSAY:

Forgive me. I don't have the resolution in front of me, and I haven't discussed it with Legislator O'Leary. But this goes back to when the fireworks factory blew up in the western part of the County, and a land swap was made to provide protections, this buffer, so it wouldn't happen again where as a result of an unfortunate explosion that housed would be affected by this, isn't that what the whole idea of the buffer was?

MR. SLOAN:

That's something I really don't know. My understanding was also it was a possibility to equalize the value between the parcel being swapped so that 30 acres of this property could not be used. However, I'm sure there was also a factor in there as far as an element of •• so this

wouldn't happen again. Obviously, I think that is correct. Please bear in mind, however, though all the adjoining properties are zoned industrial. There's no residential property nearby.

LEG. LINDSAY:

Okay. But the point is that a buffer was set up to isolate this facility.

MR. SLOAN:

That's correct.

LEG. LINDSAY:

All right. And now you guys want to subdivide five parcels out of that. You want us to build a road to make accessible.

MR. SLOAN:

No. The road to these parcels are acceptable. I'm sorry. There is a road that's been approved that doesn't go through the development rights. It's where the road is now into this property. I have a copy of map if you would like to see it. Suffolk County Planning has a standards that in the event tap roads exceed a certain amount, they want tap roads in. All right. So they are proposing and the town went along with it that they put tap roads into the buffer areas just as an alternate means of access to allow fire trucks to get in and police trucks to get in. The road into •• we don't need the tap roads in order to develop the property as far as I'm concerned. This wasn't our idea. We can access the property without the tap roads. This was alternate access that your Planning •• they recommended it. I have a copy of the map if you would like to see it.

LEG. LINDSAY:

But the point I'm getting at, the whole idea of the buffer initially was to isolate this facility, and now we're undoing that.

MR. SLOAN:

You have 30 acres of buffer.

LEG. LINDSAY:

Right.

MR. SLOAN:

The only thing they are requesting at this point was •• the Planning is asking for is that in two areas in the buffer a road go through.

LEG. LINDSAY:

Okay.

MR. SLOAN:

Two hundred and ten feet.

LEG. LINDSAY:

Let's go back to the beginning. After the unfortunate accident in the mid '80s, we went through a land swap where the County, I guess, took over the property, where was it, in Bellport or somewheres around there initially?

MR. SLOAN:

No, they didn't take over that property. That property is still owned by my client. There was property in Manorville •• I believe it was in Manorville that the swap was for.

LEG. LINDSAY:

Okay. But this site was identified. And around this site the County held a buffer zone to prevent development into that area, was that the reason for this?

MR. SLOAN:

I thought I responded to that. I wasn't privy to that original negotiation as far as the County was concerned. I would assume it had something to do with the element of the prior explosion.

LEG. LINDSAY:

Okay. So we own the buffer around the property. You guys want to develop a piece of the property inside the buffer, and you want us to build tap roads into the property.

MR. SLOAN:

We don't need to get through the development rights area to build the road into the property.

LEG. LINDSAY:

I understand that. But evidently you do need it, otherwise you wouldn't be here. The town is telling you you need it.

MR. SLOAN:

And Suffolk County Planning is telling us, they recommended it.

LEG. LINDSAY:

Okay. Okay. I just want to get a picture of what you are trying to do.

MR. SLOAN:

Believe me, I'd rather not be here, Mr. Lindsay.

LEG. O'LEARY:

Mr. Chairman.

CHAIRMAN ALDEN:

Legislator O'Leary.

LEG. O'LEARY:

If I may. Perhaps you should clarify to my colleagues on this committee as you have to me that your client has downsized substantially with respect to his initial intent on that particular site for purposes of manufacturing of explosives.

MR. SLOAN:

It's my understanding that as far as the operation is concerned, they no longer manufacture on the site. All they do is put the pieces together, whatever that means. I'm not an expert in explosives.

LEG. O'LEARY:

I mean, correct me if I'm wrong, Mr. Sloan, isn't the vast amount of manufacturing occurring in the State of Virginia right now?

MR. SLOAN:

That is correct.

LEG. O'LEARY:

And it's your client's intent to use the remaining 20 acres or so for purposes of having administrative offices?

MR. SLOAN:

Administrative office and assembly, that's correct.

LEG. O'LEARY:

And he is attempting to subdivide the existing properties, and in order for those subdivisions to occurs, to come to fruition, both the County and the town are requiring in order to advance these sales, that tap roads have to be made into this existing buffer zone. County Planning has indicated in order for that to occur, this body must waive the covenants that are in effect with respect to buffer zone that was created in the 1980s.

MR. SLOAN:

Yes. But I want to stress that the •• that's all correct. I want to stress, however, again that the major proposed access into the site where all lots will be using that same road is not through the development rights. The development right areas for the tap roads are only as alternate roads into the site.

LEG. O'LEARY:

Right. There is an existing road that goes in off of Horseblock into this complex. But for whatever reason, the town is requiring you to put in to two tap roads in order to advance the subdivision of the remaining acreage, some 60 some odd acres.

MR. SLOAN:

That's correct.

CHAIRMAN ALDEN:

Any other questions or comments? Thanks a lot for coming down.

MR. SLOAN:

Thank you.

CHAIRMAN ALDEN:

All right. That's the end of the cards I have for the public portion. Does anyone else want to address this committee? Lynne, I have your memorandum, so what I'm going to ask you to do the same way with the Commissioner or the Director of Real Estate, come up on an individual basis, then you can make a statement before we vote on the ones that you have indicated you want to speak on. And anything else, you know, just get my attention and •• okay.

TABLED RESOLUTIONS

1039•2004. Establishing Commission to study alternative form of County Government. (BINDER)

LEG. CRECCA:

Motion to table subject to call.

CHAIRMAN ALDEN:

Motion to table subject to •• just table it.

LEG. CRECCA:

All right.

CHAIRMAN ALDEN:

Motion to table by Legislator Crecca, seconded by myself.

LEG. LINDSAY:

What I was still talking about the last issue.

CHAIRMAN ALDEN:

Sorry, Bill. We're in tabled resolutions, Resolution Number 1039. Motion by Legislator Crecca to table, second by myself. All in favor? Opposed? Okay. That's **tabled. (VOTE:7•0•0•0)**

1086•2004. Adopting Local Law No •• 2004, a Charter Law to create the Real Estate Acquisition Anti•Corruption Reform Act. (BINDER)

LEG. CRECCA:

Motion to table.

CHAIRMAN ALDEN:

Motion to table by Legislator Crecca, seconded by myself. All those in favor? Opposed? That's **tabled. (VOTE:7•0•0•0)**

1193•2004. Establishing a fair and affordable sick leave policy for exempt employees. (BINDER)

LEG. CRECCA:

Motion to table.

CHAIRMAN ALDEN:

Okay. Motion to table by Legislator Crecca, seconded by myself. All those in favor? Opposed? That's **tabled. (VOTE:7•0•0•0)**

1222•2004. Adopting Local Law No •• 2004, a Charter Law to mitigate County liability by expanding prior written notice of defective condition requirement. (COUNTY EXEC)

CHAIRMAN ALDEN:

Lynne, you want to say asking on this.

MS. BIZZARRO:

I'm just here if anybody has any questions.

LEG. CRECCA:

Motion to table.

CHAIRMAN ALDEN:

Motion to table by Legislator Crecca, seconded by myself. All those in favor? Opposed?

LEG. LINDSAY:

Opposed.

LEG. MYSTAL:

Opposed.

CHAIRMAN ALDEN:

Okay. We have two in opposition, Legislator Mystal and Legislator Lindsay. **TABLED (VOTE:5 •2•0•0) (Opposed; Legis. Mystal and Lindsay)**

1223•2004. Adopting Local Law No. 2004, A Charter Law amending the Suffolk County Charter to require the adoption of a reapportionment plan in a timely manner. (MONTANO).

LEG. CRECCA:

Motion to table.

CHAIRMAN ALDEN:

Motion to table by Legislator Crecca, seconded by myself. All those in favor? Opposed?

LEG. MYSTAL:

Opposed.

CHAIRMAN ALDEN:

One opposition, Legislator Mystal. **TABLED. (VOTE:6•1•0•0).**
(Opposed; Legis Mystal)

1245•2004. Adopting Local Law No •• 2004, a Local Law to authorize County registry for domestic partners. (COOPER)

LEG. LINDSAY:

Motion to approve.

LEG. MYSTAL:

Second.

CHAIRMAN ALDEN:

Motion to approve by Legislator Lindsay, seconded by Legislator Mystal. All in favor?
Opposed?

LEG. CRECCA:

Opposed.

CHAIRMAN ALDEN:

Opposed.

LEG. O'LEARY:

Opposed.

LEG. NOWICK:

Opposed.

CHAIRMAN ALDEN:

So we have two in favor; Legislator Mystal, Legislator Lindsay. That fails. **FAILED (VOTE:2•5•0•0) (Opposed; Legis. Crecca, O'Leary, Alden Nowick, Vilorina•Fisher)**

1277•2004. Adopting Local Law No •• 2004, A Local Law amending Local Law 2•1999, to expand home improvement contracting licensing law to add new home construction. (VILORIA•FISHER)

CHAIRMAN ALDEN:

The author of this has asked that it be tabled. I'll make a motion to table, seconded by Legislator Nowick. All those in favor? Opposed? **TABLED. (VOTE:7•0•0•0)**

LEG. O'LEARY:

Mr. Chairman, what's the status of 1245?

CHAIRMAN ALDEN:

1245 has failed.

1345•2004. A Charter Law creating a County Department of Environment and Energy. (COUNTY EXECUTIVE).

LEG. CRECCA:

Motion to table.

CHAIRMAN ALDEN:

Okay. Motion to table by Legislator Crecca, seconded by myself. All those in favor? Opposed?

LEG. LINDSAY:

Opposed.

LEG. MYSTAL:

Opposed.

CHAIRMAN ALDEN:

We have Legislator Mystal and Legislator Lindsay.

TABLED. (VOTE:5•2•0•0) (Opposed; Legis. Lindsay and Mystal).

As a matter of fact though, on 1345, I just got a •• it's not that long ago •• some changes to this. So I don't know if it was eligible to be voted on today or not, but whatever way it is, it was recently modified and it's tabled.

1348•2004. A Local Law to amend Local Law 5•1993, to prohibit the County of Suffolk from contracting with corporations that reincorporate overseas. (VILORIA •FISHER)

LEG. LINDSAY:

Motion.

CHAIRMAN ALDEN:

Motion to approved by Legislator Lindsay, seconded by Legislator Mystal. I'm going to make a motion to table, second by Legislator Nowick. All in favor? Opposed?

LEG. LINDSAY:

Opposed.

LEG. MYSTAL:

Opposed.

LEG. O'LEARY:

Opposed.

CHAIRMAN ALDEN:

Legislator Lindsay, Legislator Mystal and Legislator O'Leary. That fails. So there's a motion to approved 1348. All those in favor?

LEG. CRECCA:

Motion to discharge without recommendation.

CHAIRMAN ALDEN:

That hasn't been made yet.

LEG. CRECCA:

I'm making it.

CHAIRMAN ALDEN:

Motion to discharge without recommendation by Legislator Crecca.

LEG. O'LEARY:

Second.

CHAIRMAN ALDEN:

Seconded by Legislator O'Leary. All in favor? Opposed? Unanimous. **Discharged without recommendation. (VOTE:7•0•0•0)**

1350•2004. Authorizing removal hearing for members of Suffolk County Water Authority (Eric Russo). (VILORIA•FISHER)

LEG. MYSTAL:

Motion to approve.

CHAIRMAN ALDEN:

Motion to approve by Legislator Mystal.

LEG. CRECCA:

Motion to table.

CHAIRMAN ALDEN:

Seconded by Legislator Lindsay. Motion to table by Legislator Crecca, seconded by Legislator O'Leary. The tabling takes precedence. All those in favor of tabling, aye? All those opposed?

LEG. LINDSAY:

Opposed.

LEG. MYSTAL:

Opposed.

CHAIRMAN ALDEN:

Legislator Lindsay and Legislator Mystal are opposed. That stands **TABLED. (VOTE:5•2•0•0)**
(Opposed; Legis. Lindsay and Mystal).

**1358•2004. Adopting Local Law No •• 2004, a Local Law amending Local Law 22
•1999, to license and regulate dry cleaning establishments. (COOPER)**

CHAIRMAN ALDEN:

We heard from Charlie before that there was some changes that were made.

LEG. LINDSAY:

Motion.

CHAIRMAN ALDEN:

Motion by Legislator Lindsay, second by Legislator Mystal. All in favor? Opposed? That's
APPROVED. (VOTE:7•0•0•0)

**1385•2004. Adopting Local Law No •• 2004, a Local Law to authorize the
implementation of subscription service fee schedule for the Suffolk County Clerk's
online records system. (PRESIDING OFFICER)**

CHAIRMAN ALDEN:

Lynne wanted to make a comment on that.

MS. BIZZARRO:

Thank you. I would just like to put the County Attorney's opinion on the record for this committee and just mention that there exists a legal impediment on this bill, and it has been spelled out in the opinion.

LEG. CRECCA:

I didn't have an opportunity to read the opinion. Could you share that with us briefly.

MS. BIZZARRO:

Basically, the portion of the resolution regarding the deposit of 25% of the revenues generated through the implementation of this service into the Capital Reserve Fund for, it's looks to be enhancement, technical support and upgrade to the internet application is impermissible. I believe there was an amended copy just filed recently that took out the word maintenance from that, but it doesn't change our conclusion on this. Basically, under General Municipal Law Section 6•C, there needs to be a capital improvement done for this. Enhancement, technical support and upgrades do not qualify. In addition, if you even want to make these stretch that perhaps they would be looked at as repairs, it still does not qualify under the General Municipal Law.

In addition, there was County Clerk letter that was submitted in opposition to a statement I made at the last committee meeting, I believe it was the last committee meeting, relating to Local Finance Law Section 11 that there needs to be a probably usefulness period for the use of monies. But again, they need to go into the establishment of a system and original equipment and apparatus. The problem is, is that the monies, this 25% that would be allotted, is not for a new set up, it's for again, enhancement and continuation of an already put in system at the County Clerk's Office.

In light of the fact that you cannot set up a Capital Reserve Fund, it needs to go into the General Fund for the County under our County Charter.

LEG. CRECCA:

Did you want me to defer to you, Legislator Lindsay.

LEG. LINDSAY:

I see Mr. Kennedy.

LEG. CRECCA:

I was going to come up here next, because I know he works for the Clerk's Office and is an attorney also. So, Mr. Kennedy.

MR. KENNEDY:

Yes. Thank you very much. As a matter of fact, we have discussed this resolution back and forth. As you all know, I had submitted a letter to you regarding our position. First of all, I'd like to say that we worked in conjunction with Legislative Counsel when we drafted this reso in the first instance as we did also with BRO. Lynne and I have had some conversations, although I will •• I will take issue with some of the items that she raises in her opinion, if you will.

There is a reconstruction that has to go on actually with the system. One of the statements she makes is that all if the original equipment has been acquired for this system. That's not true.

In order to go to subscription service, there is a substantial amount of additional equipment and upgrade that has to occur. So clearly, this would fall within what statute, I guess, would contemplate as reconstruction.

In addition, you can also take a look at a further PBU and Local Finance Law under Section 53, 53A, which speaks directly to the maintenance of a tax assessment system. As members of this committee all know, it is the County Clerk's position to furnish •• transfer information to all of the ten town tax assessors and the various villages that do assessment as well. That's a statutory requirements in real property law. Clearly, I believe, that the resolution is sound both legally and fiscally, and I would defer to Legislative Counsel as well as the BRO to go ahead and give us their opinion as far as the soundness.

CHAIRMAN ALDEN:

Legislator Crecca, do you defer to Legislator Lindsay.

LEG. CRECCA:

Yeah, I'll yield.

LEG. LINDSAY:

I'm not an attorney so I feel like the odd wheel because the three of you are all attorneys. You know, just basic interests, I think as a policy of the County, we all think it's a good idea to have a subscription service, we think that there's added revenue as well as enhanced service for the

residents of Suffolk County. I for one am getting tired of the squabble between the County Executive's Office and the Clerk's Office that seems to be ongoing. And I wish that the two of you would get together and figure out, you know, what needs to be put into a policy or a resolution to make this work, to assure we have the equipment to provide this service and that the services works and that we get the income from it and we provide the service that we're contracted to do.

LEG. CRECCA:

Legislator Lindsay, I just said the same thing to Legislator Alden and was prepared to say the same thing. I have yet to see a bill come before us that involves the Clerk's Office this year that there wasn't tremendous opposition from the Executive Branch. There's no reporters here, I don't say things for any political gain or anything else like that, but it is looking, whether it is or isn't, it looks tremendously petty. The election is over, and it's time to just do government, okay? The Clerk has an excellent reputation over the last 12 years of running one of the best Clerk's Offices in the state. So what I'm suggesting is that whatever this animosity is •• I mean, the best one is the one where we had the revenue coming in from New York State and there was a back and forth on that one for at least two legislative cycles, which was ridiculous. With all due respect, don't even care what the problem is. If you want to talk, Ben, I'm not cutting you off. But bottom line is it's just wasting our time.

CHAIRMAN ALDEN:

We have Mr. Ben Zwirn here from the County Executive's Office. I'd like to recognize him at this point.

MR. ZWIRN:

Let me just say that I don't think there's a particular squabble between the Clerk's Office and the County Executive. But I think in the two issues that we have that have gone back and forth, they have been issues of substance; where the money goes, revenue that comes in from the Clerk's Office, whether we're going to set up a special revenue fund where the County Clerk can now service the equipment or upgrade the equipment or that money comes out of the General Operating Budget, which the County Executive sets forth and the Legislature votes on. But in the past, that's where that money has come from. This is a new reserve fund.

If Parks wanted to set up its own reserve fund out of revenues that come into Parks, if Consumer Affairs said, well, we're not getting enough money, we're going to make sure, we're

going to set up our own reserve fund in Consumer Affairs, you would have all these different departments having Operating Budgets not coming back, you know, to the County Executive who's got to be the Chief Budget Officer of the County. So in his role as the Chief Budget Officer in keeping with the past tradition of budgeting in County Government, we don't oppose the upgrading, we don't oppose subscription service, but we do oppose on legal grounds the setting up of these special reserve funds in this case in the County Clerk's Office.

And it's that simple. It's not a real •• the County Clerk, I think, without speaking, may be afraid, well, maybe he won't get •• he'll get cut short in the Operating Budget, therefore, I'm going to put aside some special funds to protect myself just in the event that there is politics. I don't think he should be worried about that. There will be plenty of opportunity to discuss that budget in a short •• in a short matter. But I think the County Attorney is looking at this strictly on legal grounds and not on political grounds.

CHAIRMAN ALDEN:

Legislator Crecca are you satisfied? You're all done with your questions?

LEG. CRECCA:

For now.

CHAIRMAN ALDEN:

Legislator Mystal.

LEG. MYSTAL:

I want to say the same thing. I don't have any objection whatsoever to what the County Clerk needs. My problem is the streams of money that the Clerk seems to be setting up as power of government in funding, which I have not seen before. Like I said, you know, I have seen Mr. Romaine more here than in the past 12 years. And I understand there are things going on that are going on, but I don't have any objection to whatever you need. I will vote for you every time that you need something. My only point that I have question is the question that you always want to set up some kind of special funding outside of the General Fund just for you. And I think as Mr. Zwirn just said, what if every department who receives revenues wanted to do the same thing?

LEG. CRECCA:

I think it's coming. From what I hear from other County •• wide elected officials.

LEG. MYSTAL:

I don't think I want to set that precedent where somehow the General Fund is cut up into ten or 12 different little pieces from different departments, and that's my problem, Mr. Romaine. That is my only problem I have with this.

MR. ROMAINE:

Could I respond to that?

CHAIRMAN ALDEN:

Yeah.

MR. ROMAINE:

First of all, I don't believe there is a squabble between myself and the County Executive. At least I have avoided any squabbles, and I know he has also. So let's put that aside. Secondly, we have no other fund in the County Clerk's Office other than the Operating Budget. There is no other fund in the County Exec's Office •• excuse me, the County Clerk's Office other than the Operating Budget funds that we get or the Capital Funds that are funded.

This subscription service is not part of the County Clerk's Office's normal set of duties. This is something that we've decided based on discussions with this Legislature and with the prior County Executive over many years to implement. This is a service that is a commercial venture that is designed to do two things. First and foremost, to make a great deal of data available that has commercial value. And secondly, to raise revenue for the County of Suffolk. This resolution if implemented, we can conservatively estimate will produce in its first year of operation between four and \$500,000 for the County of Suffolk.

The problem is that we will go to a 24 hour a day seven day a week operation for this service. We have to have the ability to fund a help line, people calling up, I have a problem, how do I get this information, whatever. That's not in our Operating Budget. We have to have the ability in two or three or four years to add servers as we put more information on this subscription service. We have to have the ability as you do, as I do in my home, after four or five years •• I bought a computer five years ago, you know, it's out of date. I've got to go out and either do upgrades or buy another computer. We have to have that ability.

This fund is not outside of the normal operation of County Government. Not one penny of this money can be spent unless this Legislature votes for it and the County Executive signs it, not vetoes it, but signs it, then that money is appropriated for legitimate expenses. But like any wise person, going into a commercial venture, if we don't •• particularly one of information technology, if we don't set money aside for things we know is going to cost money, we know in two or three or four years we're going to have to buy additional servers, we know we're going to have to upgrade the software, we know we're going to have to fund a help desk, we know all those things. And what we're saying is this should not be a burden on the Operating Budget because if it is, if we get the vagaries, you know, of the Legislature, the County Exec, it may be well, you know, we're not going to fund it that year. We can't run a commercial venture like that. This is not part of the normal duties of a County Clerk. This is a commercial venture that this County is going in taking the data that it's assembled and its information technology and making it available for a price to help raise revenues and to make these records assessable world wide to people interested in paying the subscription fee.

It's very important that there be some reserve fund so that when these expenses occur, they get funded. Let me give you an example. We had seven projects that we thought had some very good value, that when we went and discussed our Capital Program, the BRO was there, the County Exec's people were there, we discussed it, the budget people were there, they were impressed with many of the ideas that we suggested. Not one of them were recommended in the County Executive's Capital Budget for 2005. I assume, and I will take the assumption, that that is of because of some of the fiscal concerns that he has. But if those concerns spill over into the operation of a commercial venture, we're out of business.

And the reputation of the Clerk's office to provide this service suffers immensely. I'm term limited. The money collected probably won't be spent during the remainder of my term. But my successors will know that when they need to upgrade this commercial venture, they can go and put a resolution in, and they will have put a reserve fund aside and then the Legislature and the Executive can weigh the merits of whether they want to vote for this or veto it or not vote for it as the case may be.

This doesn't take one bit of control away from the Legislature or the Executive. Is simply sequesters these fund so they can be used when needed to buy additional service, to upgrade

the hardware, to upgrade the software. And know and everyone knows, that that is going to be needed two years, three years, four years. I'm trying to put in a system that will continue to work long after I'm out of office. I am certainly not looking to get into a squabble with the County Executive, and I don't view it from that position. Thank you.

LEG. MYSTAL:

Mr. Romaine, don't leave yet. I'm still not convinced. As you were talking, I'm thinking •• I was thinking of the Parks Department where we charge fees for people to get in. Now, the Parks Department comes in and says, okay, we need to set aside the money that we collect for fees so we can buy new equipment, buy new cars, new trucks, and we want to do that because we are going to be subject to the vagaries of the Legislature and the County Executive. We want to that have reserve fund, and we want to sequester that fund like you just said and make sure that we have that money when we need it, because we are servicing a commercial •• even though we don't think of it, the Parks Department is a commercial venture, we charge people to go in. My problem is having all those little pockets of money all over the County being sequestered by different departments.

MR. ROMAINE:

They can't be spent unless you vote for it. They can't be spent unless the County Executive approves it.

LEG. MYSTAL:

I don't think I'm going to craft a budget where I have, you know, 12 different little lots of money sequestered somewhere in different banks that, you know, say to me, oh, the money is there, you just can't touch it. I cannot do anything with it. You know, the money is there, but it's reserves •• see, the other one I want to bring to you, Mr. Romaine, you and I have been in the political system for a while, this is the set up we have now, you have ten, eleven voters around the horseshoe. You get your thing approved. It goes to the County Executive, he vetoes it. He has seven votes around here, and the veto toe is upheld. See, but if you could find a way as Legislator Crecca said for you to, not you personally, but for your office and the County Executive Office to iron out those problems, because we want to give you what you want.

MR. ROMAINE:

I don't have •• I don't have a dispute with the County Executive.

LEG. MYSTAL:

I know, but I'm talking about the set up.

MR. ROMAIN:

It just so happens that a number of my resolutions were vetoed this year. But I assume that was for philosophical reasons and not for political reasons.

LEG. MYSTAL:

I'm very, very happy that you are such, you know, an outstanding Clerk that you are assuming it was for whatever reason. I'm looking at it, that the squabble somehow •• there exists a contentiousness.

MR. ROMAIN:

I have no squabble with Mr. Levy, who is our County Executive and duly elected. I really don't have a squabble with him. But I do have I point of view on this particular fund, this doesn't take a thing away from the Legislature. You still get to vote on every penny that's spent. And at any time, you can undo this reserve fund by the same way we're doing it now. If your unhappy with the operation of the fund, any one of the 18 Legislators can put in a resolution to remove this reserve had fund and sent it to the County Executive. You have absolute control from start to finish. So for example, if we adopted this, and you said, you know what, I don't think it's good idea, but I'll go along, then a year from now or two years from now, you say, you know what, I was right, I'm putting a resolution in, I'm going to get nine other Legislators, and I'm going to convince them it's wrong, you revoke the reserve fund. You have total control. It's just a simple method. The County Executive ••

LEG. MYSTAL:

Why establish it in the first place? Why is it that we are •• okay. I'm just so •• what we're doing is just going back and forth and it's not fruitful. Because I'm just looking at it that it's •• whether or not there exists, whether or not there exists a contentiousness between your office and the County Executive's Office ••

MR. ROMAIN:

I don't think that's so at all.

LEG. MYSTAL:

Whether or not it exists, somehow the way it's coming out in the political wash, the way it's coming out around the horseshoe and around the public is the fact that somehow, whenever you want something, you don't get it. And then if you do get it, it's vetoed or somehow there's something going on.

MR. ROMAIN:

I don't make policy. You make policy. The County Exec makes policy. I administer my office. I can only talk to those things.

LEG. MYSTAL:

I think setting up a different stream of budget is policy. I think setting up a different account and in a separate reserve fund from your office is policy.

MR. ROMAIN:

It's no different than what Maxine, what all the other Legislators did before you were here when they set up reserve funds for the County of Suffolk, a tax reserve funds that they were would be •• only be able to use under special circumstances.

LEG. MYSTAL:

For the County. For the whole County. Not for a department. That is the difference:

LEG. CRECCA:

We did it with the airport, with the ballpark, the health insurance.

CHAIRMAN ALDEN:

We have a billion different reserve funds. We have •• Legislator Lindsay, did you want to ••

LEG. LINDSAY:

To renew my plea that the County Executive and the Clerk's Office see if they can hammer out, because the idea is a good idea, all right? And I would hate to see it go down because people aren't talking to each other.

CHAIRMAN ALDEN:

Legislator Crecca.

LEG. CRECCA:

Jim, do we have other reserve funds? I believe we have one for the airport, correct?

MR. SPERO:

Yes. We set up one special fund for the airport, as you pointed out. We have health insurance, we have a special fund for the quarter cent sales tax collections.

LEG. CRECCA:

What about the ballpark?

MR. SPERO:

The ballpark is a separate fund where 25% of the revenues have to be reserved for maintenance of the ballpark.

LEG. CRECCA:

That's a perfect example. And while I understand what you're saying, this is not a reserve fund for the County Clerk's Office. It is for a commercial enterprise, for lack of a better word, that we are entering into here. Just like we made a commitment to the ballpark and we reserved money to maintain that ballpark, conceptually, and I understand you can disagree, but just so understand, we are not setting aside money for Ed Romaine or for the Suffolk County Clerk or anything else like that. We are setting it aside for this enterprise of a subscription fee service for information. It's a new business we are going into, okay? And we want to adequately fund that. When we did the ballpark, you want to do same thing.

You know, we can say that, yes, down the road we were going to, you know, spend the money on the ballpark, but it's nice to have something where you're taking a little bit every year so that when you go in there, you have it built up. And if he we build too much of a reserve, just like we did with the ballpark, we pull it out, we use it for taxpayer benefits. It's the same concept here. I think it's a smart way to do business. I think it helps control costs and tax increases down the line. And that's why I'm supporting it, not because of the County Exec or not •• you know, you just •• you gave the impression before that he's got ten or eleven votes.

You know, I have not spoken to the County Clerk specifically on this bill. No, I understand what you're saying, but then it's like saying •• you do a disservice to the members of this horseshoe when you say that, because you're also saying that the County Executive has seven votes in the bag against it. I don't think that's the case here. I don't it ever has been.

LEG. MYSTAL:

Andrew, you know me well enough to know I talk politics. I'm saying that you get something passed with ten, eleven votes, it goes to the County Executive to get vetoed. That's the reality of it. Whether or not we say that publically, it's a different story. What I'm saying is it would serve the County better •• in terms of government, it would serve the County better if those peccadilloes could be solved, that's number one. Number two, I think it sets a bad precedent, but that's a different story. I think, you know, if those peccadilloes could be somehow resolved before it gets to us, before the resolution gets to us around the horseshoe, it would serve government very well. And I know you are a good government person, Judge.

CHAIRMAN ALDEN:

That precedent has already been set way before any of us got here. Legislator Nowick.

LEG. NOWICK:

You know, this is •• it's an easy decision. Either you believe in what with Mr. Romaine is saying. I happened to have watched your department over the years, you run the best department. The Suffolk County Clerk's Office is the best Clerk's Office there is. You believe in it, you vote for it. You don't •• but the question seems to be the legality. Isn't that the question we were supposed to be discussing here? Is this •• Legislative Counsel, is this ••

CHAIRMAN ALDEN:

Let me just put it in perspective as far as whether we're debating the legality of this. We have got about ten lawyers in here, and that equals about 100 different legal opinions. So it's whether you want to do this program or not.

LEG. NOWICK:

I would assume our Counsel thinks it's legal since she drew up the resolution, but can you just say yes or no?

MS. KNAPP:

John Kennedy provided me with a copy of the Chief Deputy County Attorney's opinion. And I quite frankly was taken back by the comments about Local Law Subsection 72. I believe that she raised some issues that that gave me cause of certain. And then when John Kennedy and I discussed it further, and Subsection 53A came up, that resolved the concerns that I think that Ms. Bizzarro raised. And I am again comfortable with the concepts of doing it. Now legally, the policy questions that Legislator Mystal and Mr. Zwirn raised are a different questions. But I think that the very real concerns raised in the legal opinion, I think have been adequately addressed by the different subsection.

MR. KENNEDY:

Yes. Yes, we did speak about that. We both agreed, I guess, as far as where the reference is. The Local Finance Law reference, as you all well know, is because you need to have a minimum appear to probable usefulness in order to fall into that capital reserve concept for the acquisition. Either case, it's clearly there, equipment of this nature in order to go ahead and operate a system like this is a multi year use. But again, as I have said, there is •• we need to go ahead and acquire additional servers and switching mechanisms in order to go ahead and to provide the wide range of information that is being loaded on to this system. We will increase approximately five fold the amount of information that is going to be available. As you know, now there is lands records from the December of 2000 to date.

We will back file 20 years on the land records. We will put list pendings, liens and judgement on. We will increase the amount of information exponentially. So therefore, it is going to take additional equipment in order to go ahead and make that a viable marketable service for subscribers who will we then be able to utilize for a myriad of purposes.

LEG. NOWICK:

So welcome to the 21st Century. And I received my answer from Counsel, I'm happy, I'm ready to vote.

MS. BIZZARRO:

If I could just make one more comment.

CHAIRMAN ALDEN:

This part of the debate, while it's been very interesting, I think it's useful to Legislator Crecca,

because in his future seems to be and endless stream of legal reasoning and analysis. So this is just a little taste what you were you going to get, Andrew. Lynne, go ahead.

MS. BIZZARRO:

The problem •• in addition, the problem •• the County Attorney's Office is not here to opine, you know, over how great a goal this is. That's not the point here. I was just opining on the legality of it. The resolution itself speaks to a very general nature of what this money will be doing. It's the first time I'm hearing right now that this money will be used for reconstruction and acquisition. If that is so, that's should be in the confines of the resolution and spell that out. The law basically says that you need for identify the specific information in your resolution, such as whether to the fund will be created for construction, reconstruction, acquisition. The bill basically says shall be used for the purpose of enhancement, technical support and upgrades. It doesn't say why.

CHAIRMAN ALDEN:

I'm not sure as far as the legal argument, but I'll turn to Andrew Crecca, when you make these points when you are debating a resolution, doesn't that become part of the •• part and parcel of the history of that resolution and what the intent is?

LEG. CRECCA:

I have no idea.

CHAIRMAN ALDEN:

No ruling on that. All right. Thanks, Andrew. All right. We have 1385.

LEG. LINDSAY:

I'll make a motion to table to give both parties time to get together and resolve the language.

LEG. MYSTAL:

Second to table.

CHAIRMAN ALDEN:

All right. We have a motion to table by Legislator Lindsay, seconded by Legislator Mystal. All those in favor? We have two in favor. All those opposed? I'm opposed. Four opposed. Tabling to allow time to get the parties together fails. 1385, we have motion to approve by

Legislator Nowick, seconded by Crecca. All those in favor? Opposed? Opposed, we have Legislator Lindsay and Legislator Mystal. It's **APPROVED. (VOTE:5•2•0•0) (Opposed; Legis. Lindsay and Mystal)**

That does not preclude the two sides between now and June •• when's our next meeting? June 8th is the general session, it doesn't preclude the two sides getting together and discussing this.

LEG. LINDSAY:

Thank you, Mr. Chairman. That was an excellence idea.

CHAIRMAN ALDEN:

That's not my idea, that's Legislator Lindsay's idea.

1401•2004. Adopting Local Law No •• 2004, a Local Law to amend certain occupational license laws to increase maximum allowable fines. (COOPER).

LEG. LINDSAY:

Motion by Legislator Lindsay, seconded by Legislator Mystal. All those in favor? Opposed? That's **APPROVED. (VOTE:7•0•0•0).**

INTRODUCTORY RESOLUTIONS

1451•2004. Directing the County Comptroller to audit Legislative and executive vehicles. (CARACCIOLO)

LEG. LINDSAY:

Motion to table.

CHAIRMAN ALDEN:

Motion to table by Legislator Lindsay.

LEG. CRECCA:

Motion to table subject to call.

CHAIRMAN ALDEN:

Motion to table subject to call by Legislator Crecca, seconded by Legislator Lindsay.

LEG. LINDSAY:

I'll defer to the judge.

LEG. CRECCA:

Stop already.

CHAIRMAN ALDEN:

All those in favor? Opposed? That's **TABLED SUBJECT TO CALL. (VOTE:7•0•0•0).**

1454•2004. Adopting Local Law Number •2004, a Local Law to amend establishing anti•corruption act for County contracts. (COOPER).

LEG. CRECCA:

Has to be tabled for a public hearing.

CHAIRMAN ALDEN:

Okay. Motion to table by myself, seconded by Legislator Lindsay for a public hearing. All those in favor? Opposed? **TABLED. (VOTE:7•0•0•0)**

1460•2004. Authorizing certain technical corrections to adopted Resolution Number 845•2003. (PRESIDING OFFICER)

LEG. LINDSAY:

I don't have my book. Could I have an explanation?

LEG. CRECCA:

It's on 1460? It transfers \$5000 from St. Margarets of Scotland Church to emergency medical care.

LEG. LINDSAY:

Motion.

CHAIRMAN ALDEN:

Motion by Legislator Lindsay, seconded by myself. All those in favor? Opposed? That's **APPROVED. (VOTE:7•0•0•0).**

1461•2004. Authorizing certain technical corrections to Resolution No. 250•2004. (CARPENTER).

CHAIRMAN ALDEN:

I believe it's the same type of thing.

LEG. CRECCA:

From one contingent account to another.

CHAIRMAN ALDEN:

Motion by myself, seconded by Legislator O'Leary.

LEG. CRECCA:

If I can ask actually, Budget Review on this. It's two million dollars. So I guess my question is what what's the need for this and what is it doing? Because it looks like it just changes it from account 1921 to 1991. I don't really understand what this is.

MR. SPERO:

I think I have to check the account titles. Let me get back to you.

CHAIRMAN ALDEN:

Okay. We'll skip over that one.

1465•2004. Establishing policy on use of County Clerk's Office for examination purposes pending County Center Renovation. (CARACCILO).

LEG. CRECCA:

Motion to table.

CHAIRMAN ALDEN:

Motion to table by Legislator Crecca, seconded by Legislator O'Leary. All those in favor?
Opposed? 1465 is **TABLED. (VOTE:7•0•0•0).**

1471•2004. Sale of County owned real estate pursuant to Local Law 13•1976, Craig S. Rubenstein. (COUNTY EXEC).

CHAIRMAN ALDEN:

We have the Director of Real Estate with us. Is this of right?

MS. ZIELENSKI:

No, this is a direct sale. The upset price was \$1500, and the bid was 1500.

LEG. LINDSAY:

Motion.

CHAIRMAN ALDEN:

Motion by Legislator Lindsay, seconded by myself. All those in favor.
Opposed? **APPROVED. (VOTE:7•0•0•0).**

1472•2004. Sale of County owned real estate pursuant to Local Law 13•1976, James C. Sass and Kathleen G. Sass, his wife. (COUNTY EXEC)

MS. ZIELENSKI:

This also is a direct sale. The bid was \$7,510.51.

CHAIRMAN ALDEN:

And what was our appraisal?

MS. ZIELENSKI:

Seventy•five hundred.

CHAIRMAN ALDEN:

So they bid a little bit above it. Motion by Legislator Lindsay, seconded by Legislator Nowick. All those in favor? Opposed? That's **APPROVED. (VOTE:7•0•0•0).**

1473•2004. Sale of County owned real estate pursuant to Local Law 13•1976, Karen Betz. (COUNTY EXEC).

MS. ZIELENSKI:

Again, a direct sale. The offer was \$8500 with a \$6700 appraisal.

CHAIRMAN ALDEN:

Motion by Legislator Mystal, seconded by Legislator Crecca? All those in favor? Opposed. That's **APPROVED. (VOTE:7•0•0•0).**

LEG. MYSTAL:

All the sales that you have in the resolution now are all direct sales, so we don't have to keep asking the same question?

MS. ZIELENSKI:

No, they're not. We just have one other direct sale.

CHAIRMAN ALDEN:

You have to put it on the record anyway.

1474•2004. Authorizing certain technical corrections to Omnibus Resolution No. 845•2003. (ALDEN)

LEG. LINDSAY:

Maybe the sponsor could just tell us what this is.

CHAIRMAN ALDEN:

I'm just changing •• I got the names wrong.

LEG. CRECCA:

It just changes the names of two programs.

LEG. LINDSAY:

Motion.

CHAIRMAN ALDEN:

Motion by Legislator Lindsay, seconded by myself. All those in favor? Opposed? That's **APPROVED. (VOTE:7•0•0•0).**

1477•2004. Sale of County owned real estate pursuant to Local Law 13•1976, Reich P. Glaubitz and Melony DeSalvo, joint tenants with right of survivorship. (COUNTY EXEC).

MS. ZIELENSKI:

That's a direct sale. We had an appraisal of \$7500, and the bid was 7502.

CHAIRMAN ALDEN:

Very good. I'll make the motion, seconded by Legislator O'Leary. All those in favor? Opposed? That's **APPROVED. (VOTE:7•0•0•0).**

1478•2004. Authorizing the sale pursuant to Local Law 16•1976 of real property acquired under Section 46 of the Suffolk County Tax Act, Roseline O. Daniyan. (COUNTY EXEC).

MS. ZIELENSKI:

This is an as of right redemption as are the next ones up through 1487.

CHAIRMAN ALDEN:

Okay. So we have a motion by Legislator O'Leary, seconded by Legislator Lindsay. All those in favor? Opposed? That's **APPROVED (VOTE:7•0•0•0).**

1479•2004. Authorizing the sale pursuant to Local Law 16•1976 of real property acquired under Section 46 of the Suffolk County Tax Act, Gerard P. Quinn and Jessie A. Kennedy. (COUNTY EXEC).

CHAIRMAN ALDEN:

As you indicated, that's as of right redemption?

MS. ZIELENSKI:

Yes.

CHAIRMAN ALDEN:

Motion by Legislator O'Leary, seconded by Legislator Lindsay. **APPROVED. (VOTE:7•0•0•0•0)**

1480•2004. Authorizing the sale pursuant to Local Law 16•1976 of real property acquired under Section 46 of the Suffolk County Tax Act, Eveline Bayard. (COUNTY EXEC).

CHAIRMAN ALDEN:

That's as of right.

MS. ZIELENSKI:

As of right.

CHAIRMAN ALDEN:

Same motion, same second, same vote. **APPROVED (VOTE:7•0•0•0•0).**

1481•2004. Authorizing the sale pursuant to Local Law 16•1976 of real property acquired under Section 46 of the Suffolk County Tax Act, Robert Kay. (COUNTY EXEC).

CHAIRMAN ALDEN:

That's as of right?

MS. ZIELENSKI:

Yes.

CHAIRMAN ALDEN:

Same motion, same second, same vote. That's **APPROVED (VOTE:7•0•0•0)**.

1482•2004. Authorizing the sale pursuant to Local Law 16•1976 of real property acquired under Section 46 of the Suffolk County Tax Act, Roa Avenue Associates. (COUNTY EXEC).

MS. ZIELENSKI:

As of right.

CHAIRMAN ALDEN:

That's as of right. Same motion, same second, same vote. That's **APPROVED. (VOTE:7•0•0•0)**.

1483•2004. Authorizing the sale pursuant to Local Law 16•1976 of real property acquired under Section 46 of the Suffolk County Tax Act, Patricia A. Meadows, as Administrator of the Estate of Ollie Criss. (COUNTY EXEC).

MS. ZIELENSKI:

As of right.

CHAIRMAN ALDEN:

Same motion, same second, same vote. That's **APPROVED. (VOTE:7•0•0•0)**.

1484•2004. Authorizing the sale pursuant to Local Law 16•1976 of real property acquired under Section 46 of the Suffolk County Tax Act, Marcia Gelshenen. (COUNTY EXEC).

MS. ZIELENSKI:

As of right.

CHAIRMAN ALDEN:

As of right. Same motion, same second, same vote. That's **APPROVED. (VOTE:7•0•0•0)**.

1478•2004. Authorizing the sale pursuant to Local Law 16•1976 of real property acquired under Section 46 of the Suffolk County Tax Act, Walter Scott Buist a/k/a Walter S. Buist, deceased. (COUNTY EXEC).

CHAIRMAN ALDEN:

Now, this isn't his estate, this is who is actually going in and redeeming this? Because if he is dead and redeeming this, I've got to talk to him.

MS. ZIELENSKI:

I'm just assuming it was done through the estate. 1485, it says Walter S. Buist, Junior has paid the application fee.

CHAIRMAN ALDEN:

Now, is that as if right if it's a descendant of the deceased?

MS. ZIELENSKI:

No. I think the executor ••

CHAIRMAN ALDEN:

So we are going after the •• it's going back to the estate? Okay. So that would constitute as of right.

MS. ZIELENSKI:

Yes.

CHAIRMAN ALDEN:

Same motion, same second, same vote. That's **APPROVED. (VOTE:7•0•0•0).**

1486•2004. Authorizing the sale pursuant to Local Law 16•1976 of real property acquired under Section 46 of the Suffolk County Tax Act, Marie Kern and Fred Fusaro a/k/a Frederick Fusaro, as sole surviving heir of Louis A. Fusaro and Lillian Fusaro, each as 1/3 interest; and Anthony C. Fusaro a/k/a/ Anthony Fusaro, deceased heir of Louis A. Fusaro and Lillian Fusaro, as to 1/4 interest. (COUNTY EXEC).

CHAIRMAN ALDEN:

Wow.

MS. ZIELENSKI:

We didn't want to make it easy for you.

CHAIRMAN ALDEN:

It's as of right?

MS. ZIELENSKI:

Yes.

CHAIRMAN ALDEN:

Same motion, same second, same vote. That's **APPROVED. (VOTE:7•0•0•0).**

1487•2004. Authorizing the sale pursuant to Local Law 16•1976 of real property acquired under Section 46 of the Suffolk County Tax Act, Larry H. Sommerville as Administrator of the Estate of Sarah Stewart a/k/a Sarah Stewart Morrison a/k/a Sarah Morrison. (COUNTY EXEC).

MS. ZIELENSKI:

As of right.

CHAIRMAN ALDEN:

Same motion, same second, same vote. **APPROVED. (VOTE:7•0•0•0)**

**1488•2004. Authorizing the Director of the Division of Real Estate, Department of Planning to issue a certificate of abandonment of the interest of the County of Suffolk in property designated as Town of East Hampton, pursuant to Section 40•D of the Suffolk County Tax Act.
(COUNTY EXEC)**

CHAIRMAN ALDEN:

Just a quick explanation.

MS. ZIELENSKI:

That was a lack of prior •• proper notice to the prior owner.

CHAIRMAN ALDEN:

Same motion, same second, same vote. Including Legislator Vilorina•Fisher on that one.

APPROVED. (VOTE:7•0•0•0).

1489•2004. Authorizing the Director of the Division of Real Estate, Department of Planning to issue a certificate of abandonment of the interest of the County of Suffolk in property designated as Town of Islip, pursuant to Section 40•D of the Suffolk County Tax Act.

(COUNTY EXEC)

MS. ZIELENSKI:

Also a matter of lack of notice to the prior owner.

CHAIRMAN ALDEN:

Okay. We have the same motion, same second, same vote.

APPROVED. (VOTE:7•0•0•0)

LEG. VILORIA•FISHER:

Mr. Chair, before we go on to the next one, could I ask the Clerk to please put me on the prevailing side for the previous votes.

CHAIRMAN ALDEN:

Got that? Good. Thank you.

1490•2004. Authorizing the sale pursuant to Local Law 16•1976 of real property acquired under Section 46 of the Suffolk County Tax Act, Cornerstone Bancor Mortgage Corp. a/k/a Morning Star Real Estate and Mortgage Corp. (COUNTY EXEC).

MS. ZIELENSKI:

As of right redemption.

CHAIRMAN ALDEN:

Okay. I just have a question. Did they change their name, and is that why we couldn't get in touch with them? Or did they comply in every other detail? Because if they do something that makes it so we can't get in touch with them and notice them ••

MS. ZIELENSKI:

We can take that into consideration.

CHAIRMAN ALDEN:

1490.

MS. ZIELENSKI:

I think it's a mortgagee. Application was made by the prior owner, the Chambord Group of Suffolk.

CHAIRMAN ALDEN:

My point is that as mortgagee, if they change their name and change their location, there's no way we can notice them, and that's not our fault. It should be subject to.

MS. ZIELENSKI:

I'm sorry. I have the wrong one.

CHAIRMAN ALDEN:

That's all right. They changed their name, but it had nothing to do with notice. They're just redeeming as of matter of right.

CHAIRMAN ALDEN:

They are the owners of the property?

MS. ZIELENSKI:

They were properly noticed. The Cornerstone Bancor Mortgage Corporation was formerly known as the Morning Star Real Estate and Mortgage Corporation, which had an interest at the time that we took the tax deed.

LEG. CRECCA:

We didn't notice them?

MS. ZIELENSKI:

They were noticed, properly noticed. And they are properly redeeming as of right.

CHAIRMAN ALDEN:

So it's within a time frame?

MS. ZIELENSKI:

Yes.

CHAIRMAN ALDEN:

Okay. Same motion, same second, same vote. That's.

APPROVED. (VOTE:7•0•0•0)

1491•2004. Authorizing the sale pursuant to Local Law 16•1976 of real property acquired under Section 46 of the Suffolk County Tax Act, The Chambord Group of Suffolk Inc. (COUNTY EXEC).

MS. ZIELENSKI:

As of right.

CHAIRMAN ALDEN:

Same motion, same second, same vote. That's **APPROVED. (VOTE:7•0•0•0)**

1492•2004. Authorizing the sale pursuant to Local Law 16•1976 of real property acquired under Section 46 of the Suffolk County Tax Act, Martin Wilson. (COUNTY EXEC).

MS. ZIELENSKI:

As of right.

CHAIRMAN ALDEN:

Same motion, same second, same vote. That's **APPROVED. (VOTE:7•0•0•0).**

1493•2004. Authorizing the sale pursuant to Local Law 16•1976 of real property acquired under Section 46 of the Suffolk County Tax Act, Martin Wilson. (COUNTY EXEC).

MS. ZIELENSKI:

As of right.

CHAIRMAN ALDEN:

This is another piece •• it's not •• it doesn't look like it's adjacent, but it could be. Is this as of right also?

MS. ZIELENSKI:

Yes. This is an as of right redemption.

CHAIRMAN ALDEN:

Same motion, same second, same vote. **APPROVED. (VOTE:7•0•0•0)**

CHAIRMAN ALDEN:

Jim, are you ready with the information so we can go back to 1461?

**1461•2004. Authorizing certain technical corrections to Resolution No. 250•2004.
(CARPENTER)**

MR. SPERO:

This was just a technical correction to change to appropriation number that these funds were placed in the Omnibus Resolution back in the fall.

CHAIRMAN ALDEN:

Any other questions on this one?

LEG. NOWICK:

Motion.

CHAIRMAN ALDEN:

Motion by Legislator O'Leary, seconded by Legislator Nowick. All those in favor? Opposed? That's **APPROVED. (VOTE:7•0•0•0).**

CHAIRMAN ALDEN:

All right. Back to page six.

1494•2004. Authorizing the sale pursuant to Local Law 16•1976 of real property acquired under Section 46 of the Suffolk County Tax Act, Martin Wilson. (COUNTY EXEC).

MS. ZIELENSKI:

As of right.

CHAIRMAN ALDEN:

He lost a whole bunch of property here.

MS. ZIELENSKI:

Yes, he did.

CHAIRMAN ALDEN:

Same motion, same second, same vote. That's **APPROVED. (VOTE:7•0•0•0).**

1495•2004. Authorizing the sale pursuant to Local Law 16•1976 of real property acquired under Section 46 of the Suffolk County Tax Act, Martin Wilson. (COUNTY EXEC).

MS. ZIELENSKI:

As of right.

CHAIRMAN ALDEN:

Same motion, same second, same vote. **APPROVED. (VOTE:7•0•0•0).**

1496•2004. Authorizing the sale pursuant to Local Law 16•1976 of real property acquired under Section 46 of the Suffolk County Tax Act, Martin Wilson. (COUNTY EXEC).

MS. ZIELENSKI:

As of right.

CHAIRMAN ALDEN:

Same motion, same second, same vote. **APPROVED. (VOTE:7•0•0•0).**

1497•2004. Authorizing the sale pursuant to Local Law 16•1976 of real property acquired under Section 46 of the Suffolk County Tax Act, Wayne N. Magee. (COUNTY EXEC).

MS. ZIELENSKI:

As of right.

CHAIRMAN ALDEN:

As of right. Same motion, same second, same vote. **APPROVED. (VOTE:7•0•0•0).**

1498•2004. Authorizing the sale pursuant to Local Law 16•1976 of real property acquired under Section 46 of the Suffolk County Tax Act, Carole A. Oille. (COUNTY EXEC).

MS. ZIELENSKI:

As of right.

CHAIRMAN ALDEN:

Same motion, same second, same vote. **APPROVED. (VOTE:7•0•0•0).**

1499•2004. Authorizing the sale pursuant to Local Law 16•1976 of real property acquired under Section 46 of the Suffolk County Tax Act, Gary E. Bashian, Trustee under Trust Agreement dated April 28, 1997 for the benefit of Seranus Dursun. (COUNTY EXEC).

MS. ZIELENSKI:

As of right redemption.

CHAIRMAN ALDEN:

Same motion, same second, same vote. That's **APPROVED. (VOTE:7•0•0•0).**

1500•2004. Adopting Local Law No •• 2004, a Local Law to reform the awarding of Suffolk County Government contracts to restore public confidence. (BINDER)

CHAIRMAN ALDEN:

Lynne had indicated she wanted to speak on this.

MS. BIZZARRO:

I don't need to speak. Thank you.

CHAIRMAN ALDEN:

We just had the public hearing. It was closed, so it's before us.

LEG. CRECCA:

I just have a question on this. It lists the County Executive as a sponsor, I have down as Binder on my resolution.

CHAIRMAN ALDEN:

I think that's a typo, I apologize. It's Binder.

LEG. CRECCA:

This doesn't mean that Binder is going to be County Executive, does it?

LEG. VILORIA•FISHER:

Oh, God.

CHAIRMAN ALDEN:

I'll entertain a motion. Motion to table by myself, seconded by Legislator O'Leary. All in favor? Opposed? **TABLED. (VOTE:7•0•0•0).**

1511•2004. Authorizing the sale of County owned real estate pursuant to Section 215, New York State County Law to Joan Gerold. (VILORIA•FISHER)

LEG. VILORIA•FISHER:

Did you want to say something about it?

MS. ZIELENSKI:

No.

LEG. VILORIA•FISHER:

I was going to make a motion to approve.

CHAIRMAN ALDEN:

Motion to approve by Legislator Viloría•Fisher, seconded by Legislator Lindsay. Just an explanation on this.

MS. ZIELENSKI:

This is an after the time frame as of right as a result of a resolution by Legislator Viloría•Fisher.

LEG. VILORIA•FISHER:

It's after the time frame, because the •• I've discussed this with some of the people in the Legislature that this woman was •• is a widow, and she did not know that her husband had not been paying the taxes. She has paid the back taxes now.

CHAIRMAN ALDEN:

As far as fair warning, this is subject to a lawsuit, which I understand is still ongoing by ••

LEG. VILORIA•FISHER:

No. She has paid all the back taxes. It doesn't come under that lawsuit. We're not excusing her from the •• she's paid the taxes and interest and penalties. She's paid all of that.

CHAIRMAN ALDEN:

Right. But the law is specific, I believe, also on the reasons why •• because she is going to have to say why she defaulted on that. And usually there's only a couple of reasons that's been accepted. So •• you know, I vote for these, but just give you fair warning that the County Executive and the •• what's Paul Sabatino? The Chief Deputy has in the past advised this Legislative body that this is illegal.

LEG. VILORIA•FISHER:

We brought all of the requisite reasons being death and illness on her part, she had a stroke.

CHAIRMAN ALDEN:

You don't have much problem getting passed me, but, you know.

LEG. VILORIA•FISHER:

I just want to say that we've done all the requisite steps. She's paid all the interest and penalties. And she is a widow with three children. Her husband died suddenly.

CHAIRMAN ALDEN:

I don't believe in hurting anybody like that, but okay. We have a motion and a second. All those in favor? Opposed?

APPROVED. (VOTE:7•0•0•0)

1515•2004. To establish a web page to solicit contributions to implement Suffolk's Campaign Finance Reform Program. (NOWICK)

LEG. NOWICK:

Motion.

CHAIRMAN ALDEN:

Motion by Legislator Nowick, seconded by Legislator Lindsay.

MS. BIZZARRO:

Can I make a comment on that first?

CHAIRMAN ALDEN:

Go ahead, Lynne.

MS. BIZZARRO:

Thanks. Just one problem. Under Article 41 of the Charter, the Campaign Finance Board has the power to devise the methods of soliciting and collecting donations. This resolution directs the Division of Management Information Services to do that publicizing, which is inconsistent with the charter. The language in the resolution should be amended to direct the CFB to cooperate with Management Information to devise the method.

CHAIRMAN ALDEN:

Thanks. We have a motion to approve and we have a second. All those in favor? Opposed?

LEG. VILORIA•FISHER:

Can I just ask Counsel something, please? I'm sorry.

CHAIRMAN ALDEN:

Legislator Vilorio.

LEG. VILORIA • FISHER:

On the motion. Lynne, we have been trying to raise the money to support campaign finance, and •• so what you are saying is •• couldn't the Campaign Finance Board just be asked to work with this without having it in the resolution, Counsel?

MS. BIZZARRO:

You mean as far as not being specific in this resolution?

LEG. VILORIA • FISHER:

Yes.

MS. BIZZARRO:

Sure. But unfortunately the way it reads right now, it is in contradiction to the way the Charter reads.

LEG. VILORIA • FISHER:

But does it prohibit us from working with the Campaign Finance Board?

MS. BIZZARRO:

No.

LEG. VILORIA • FISHER:

Okay. So it might be a way for us to finally try to get some money into this. Okay. Thank you. I just want to know if there was a prohibition against our reaching out to the Campaign Finance Board, and this doesn't have a prohibition.

MS. BIZZARRO:

Not at all.

CHAIRMAN ALDEN:

We have a motion, we have a second. All those in favor? Opposed? 1515 is **APPROVED.**
(VOTE:7•0•0•0).

1516•2004. Establish a policy to promote Campaign Finance Reform Funding.
(NOWICK)

CHAIRMAN ALDEN,

Lynne, you asked to speak on this too.

MS. BIZZARRO:

One comment. In looking at the law, it is my position and the County Attorney's position that what is contemplated under this bill is fine, but has to be by local law, and it's not, it's just by resolution. So if you want to get it right, it's our position it needs to be by local law. It directly contradicts County Law Section 214, which you can do under the Municipal Home Rule, you just need to do it by local law.

CHAIRMAN ALDEN:

Let's go to one more legal opinion on this.

MS. KNAPP:

This is the first I've heard of it. If the sponsor doesn't object, I'd like to take a look at it, and if it needs corrections, do so.

LEG. CRECCA:

I would suggest •• I don't mean to interrupt, but why don't we do a motion to discharge without recommendation? We have the legality checked out in the mean time.

LEG. VILORIA • FISHER:

If it should be a local law, I think we should just table it one cycle and have it ••

CHAIRMAN ALDEN:

Madam Sponsor.

LEG. VILORIA • FISHER:

Okay? Because anything else we have done as far as raising funds for campaign finance, we've done as local law.

LEG. NOWICK:

Counsel, you feel you want to look at this further?

MS. KNAPP:

I did it as a resolution just to establish a policy for the County, however, I'm •• you know, I'd

be more than happy to look at the comments raised by the County Attorney and see if I think that's a better way to do it.

LEG. NOWICK:

That would be fine, but that would delay it another cycle.

CHAIRMAN ALDEN:

It's a big delay. It goes until August. Legislator Lindsay.

LEG. LINDSAY:

The point that I'm making is that we've had campaign •• a publically financed campaign system for years. It hasn't work for years. So waiting another couple of months to make something that could work and may come 75.

As a positive income may be •• might be worth the wait.

LEG. NOWICK:

You have a very good point there. Motion to table.

LEG. CRECCA:

Second.

CHAIRMAN ALDEN:

Motion to table by Legislator Nowick, seconded by Legislator Crecca. All those in favor? Opposed? 1516 is **TABLED. (VOTE:7•0•0•0).**

1519•2004. Adopting Local Law No. •2004, a Local Law creating Graphic Information System Committee. (COUNTY EXEC)

MS. JULIUS:

You have to table it.

CHAIRMAN ALDEN:

Do we have to retable it? No. I have to table it because it's an introductory. Motion to table by myself, seconded by Legislator Lindsay for a public hearing. All in favor? Opposed?

TABLED for a public hearing. **(VOTE:7•0•0•0).**

1522•2004. Increasing number of prescription drugs in County Prescription Drug Cost Comparison Program. (COUNTY EXEC)

CHAIRMAN ALDEN:

Motion by Legislator Vloria•Fisher, seconded by Legislator Lindsay. All those in favor? Opposed? **APPROVED. (VOTE:7•0•0•0).**

1530•2004. Authorizing the County Executive to amend a lease with KGM Realty Group to permit the Long Island Grower's Market to operate a Farmer's Market and other programs designed to promote the health of residents of Suffolk County at the South Brookhaven•West Health Center, Patchogue, NY. (COUNTY EXEC)

CHAIRMAN ALDEN:

Motion by Legislator O'Leary, seconded by Legislator Vloria•Fisher. All those in favor? Opposed? **APPROVED. (VOTE:7•0•0•0).**

1539•2004. Amending the 2004 Operating Budget and appropriating funds in connection with bonding settlements for medical malpractice cases. (COUNTY EXEC)

CHAIRMAN ALDEN:

Just for the record, how much are we putting in here?

MS. BIZZARO:

I think it's seven ••

CHAIRMAN ALDEN:

And that only involves the ones we've settled, that doesn't put a reserve fund in for anything?

MS. BIZZARO:

Nothing else. Two settled ones.

CHAIRMAN ALDEN:

Motion by Legislator Mystal, seconded by Legislator Nowick. All those in favor? Opposed? **APPROVED. (VOTE:7•0•0•0)**

1558•2004. To permit the construction of two tap roads through property owned by "Starlight Properties" located in Yaphank, Town of Brookhaven. (O'LEARY)

CHAIRMAN ALDEN:

Lynne, you indicated you wanted to speak on this.

MS. BIZZARO:

Thank you very much. I have •• there are several legal problems with the resolution. First, the County would need a local law pursuant to County Law Section 215 to effectuate a transfer contemplated by this bill. As the sale of property, which is here in development rights can only be to the highest bidder under County law. We don't have that here. Suffolk laws only allow sales without the bidding process for property obtained through a tax sale or in the case of a redemption. In addition, if a local law were to be passed, a resolution approving the sale contemplated under this bill must recite that the property is no longer required for a public purpose. It does not state that.

Also the compensation to be paid for the development rights must be clear, that's not the case in this bill. This bill has no SEQRA determination, which it must need. I believe it relies on the town SEQRA determination, which is not sufficient. One further note is that the deed •• I took a quick look on Friday, the deed actually recites to General Municipal Law Section 247 and states that the subject area is to remain forever as open space as that terms is defined in the General Municipal Law. I'm not sure that we absolutely need state approval for this, but it's starting to get the appearance of looking like you may need state enabling legislation. You know, we are not looking to alienate parklands or anything such as that.

That's just a comment I wanted to make, and I'm not sure of the answer to that. Finally, my guess is just that we do not have an appraisal for this area. I'm aware it's just roads going in, but there is a portion of land that we would be giving up that we do own.

CHAIRMAN ALDEN:

Does your analysis take into affect that the owners legal representative came in here and said that it's not for their benefit, it's basically a requirement that Suffolk County is putting there for fire, rescue type of operations. Does that ••

MS. BIZZARO:

I want to look into that, because that was the first I was hearing of that. I didn't know that it wasn't that •• the developers decision, and it was Suffolk County Planning. So I'd like to look

at it further just to make sure that, you know, we're doing it correctly. I mean, he mentioned something also about \$206,000 in compensation. Nowhere do I don't see, I don't know where that's coming from.

CHAIRMAN ALDEN:

Legislative Counsel.

MS. KNAPP:

I guess the one comment that I would make is the SEQRA determination is absolutely accurate. Having been through CEQ and having Jim Bagg check with the Town of Brookhaven that they did perform a coordinated review, and the County was noticed. So clearly Mr. Bagg assisted me in drafting the SEQRA provision. As to the other issues, I'm not •• I have not looked at all the points raised by Ms. Bizzarro. However, I would point out that the County does not actually own that land, so we're not •• we're not selling the property. What we're doing is permitting a construction over an area that we have an easement, I believe.

MS. BIZZARO:

Then that's the thought that came to mind, if that in fact is what it is, and it may be one •• you may want to use the language of an easement as opposed to •• it basically says that the Division of Real Estate is authorized and directed to execute all documents to reconvey to Starlight Properties the development right.

CHAIRMAN ALDEN:

You can't reconvey something you don't have.

MS. BIZZARO:

We have the development right. We own them.

CHAIRMAN ALDEN:

Legislator Lindsay, you want to say something?

LEG. LINDSAY:

I just •• I'm very confused. The initial presentation, I thought we owned the property, I thought we owned the buffer around this other property. Now you say we don't ••

MS. BIZZARO:

It is by deed. It's by deed that we absolutely own the development rights to the property.

LEG. LINDSAY:

So we do own the property?

MS. BIZZARRO:

Yes.

CHAIRMAN ALDEN:

No. The development rights.

MS. BIZZARRO:

Right. The fee is owned by Starlight, correct, but we own the development rights.

LEG. LINDSAY:

So the property is owned by Starlight, we own the development rights.

MS. BIZZARRO:

Correct. That's how it's set up.

LEG. LINDSAY:

And Starlight is asking us to build these two tap roads •• no? They're building the tap roads, they're just asking us to give permission because we own the development rights.

MS. BIZZARO:

I don't know the answer to that.

MS. ZIELENSKI:

I don't know who would build anything, but we own the development rights, which by deed says will remain in perpetuity as open space. What they're requesting is that we rescind the perpetuity of open space and allow the development of roads.

LEG. LINDSAY:

I understand that. That part I did understand. I'm still ••

MS. BIZZARO:

My understanding from Mr. Sloan was that our Planning Commission, Suffolk County Planning Commission, indicated that they wanted them to do this. But at the end of the day, I don't know who is actually going to physically be constructing these roads, because they've indicated they already have ingress and egress to the development of these five pieces.

LEG. O'LEARY:

Through the Chair, please.

CHAIRMAN ALDEN:

Absolutely. Legislator O'Leary.

LEG. O'LEARY:

My understanding is that •• is that Mr. Sloan's client is the one who is going to construct the tap roads at his expense. Does that change your position, your issue?

MS. BIZZARO:

It doesn't change my issue.

LEG. O'LEARY:

What is your issue?

MS. BIZZARO:

My issue is that we can't give away these development rights without having some type of mechanism under which we can do that. The thought was maybe an easement, that's not what this says. We are actually giving back development rights that we took in the 1980s pursuant to a deed with certain covenants and restrictions that this area, this 30 acre of buffer zone, remain open space forever. And I don't even know what the consideration is, although there's been mention by Mr. Sloan that it was for a little over \$200,000, but I don't see that within the confines of the resolution.

LEG. O'LEARY:

Well, it's not in the resolution by a specific number, but there is language in there that indicates all payments have to be made prior to an easement on the covenant. Counsel, is there some merit in what the County Attorney's Office is raising here?

MS. KNAPP:

Well, as you may know, I don't •• I don't have a historic file on this, the file is not here. But I do know that the files do exist in the County Attorney's Office, because when this issue was first brought to my attention, I called the attorneys who worked on it who tell me that they left a file that actually contains direction on how, if this issue were ever to arise, it should be resolved.

MS. BIZZARO:

Can I just interrupt? We've been searching for the files and have been unable to locate them to date.

MS. KNAPP:

I was able to find in the records that I have, a mention of \$206,000 that they would have to pay in the event there was ever an alienation. However, I'm not sure that that's all they have to pay. So that in deference to any additional amounts, I left the sum unspecified and just referred to any and all amounts.

LEG. O'LEARY:

I'm a little confused as the sponsor of this resolution. I mean, the summary under 1558 is that this would allow construction of two tap roads through property owned by Starlight. Are you saying that the County owns that property, Starlight does not own that property.

MS. BIZZARRO:

As we said, the fee simple is owned by Starlight, however, the development rights are owned by the County of Suffolk.

LEG. O'LEARY:

And that's what we're attempting to waive or exempt.

MS. BIZZARO:

To give it away, right. Maybe there's some other mechanism that it can be done, like an easement or •• you know, as opposed to actually •• basically selling off your development rights, which I don't see a mechanism in our Charter or anywhere else ••

CHAIRMAN ALDEN:

It's more convoluted than that, because it's a requirement that Suffolk County have it for fire and rescue. So it's not to benefit the developer, it's to benefit Suffolk County in the event that they need to get in there for fire and rescue. So it's a little more convoluted.

LEG. MYSTAL:

Through the Chair.

CHAIRMAN ALDEN:

I have Legislator Viloria•Fisher next after Legislator O'Leary is done.

LEG. O'LEARY:

I'll defer to Legislator Fisher.

LEG. VILORIA•FISHER:

I'm very concerned about relinquishing development rights. The cornerstone of our Farmland Acquisition Program is the acquisition of development rights. And so I believe that it's incumbent upon us to get the original paperwork and the file. If the search could continue, it would be very helpful, because it could certainly be a very slippery slope if we begin to play around with development rights that people of Suffolk County have voted in referenda after referenda to support our Land Acquisition Programs. Development rights, which represent to the people of Suffolk County, that the development of any parcel will be in perpetuity I think is something that we have to guard very, very carefully.

And so I will ask Counsel •• Mea •• I will ask Ms. Knapp, if we could table this until we find the research for the original •• the original enabling resolution that had us acquire the development rights. And I understand all of the arguments, but I think to protect our Land Acquisition Program, we need to make sure that we're not entering into something that might become in the future a precedent for giving back development rights. I think it would certainly compromise the credibility of our programs.

When I first looked at this resolution, I didn't realize that that's what we're doing. And I think it has to be very, very clearly stated and backup in any resolution that gives back any kind of development rights. If I recall •• my goodness, we have so many new faces there •• a few people were here when we talked about •• when the Talmage Farm was trying to look at only taking back development rights. Jim, I think you were the person who was sitting here that

year other than me. But we were very concerned about doing anything fast and loose with development rights. So I'm going to ask Counsel if we can have some tighter research on this.

CHAIRMAN ALDEN:

Bill was here, I was here.

LEG. VILORIA • FISHER:

Were you? I didn't think Bill was sitting here yet.

CHAIRMAN ALDEN:

Warren was here, Ed was here.

LEG. VILORIA • FISHER:

I mean Legislators. You were here, that's right. I forget. I'm thinking of you as, you know, this young guy.

CHAIRMAN ALDEN:

I appreciate that. The rookie that's got 12 more years before he is term •• limited out.

LEG. VILORIA • FISHER:

Cameron, you were here. And you remember that it was something that we discussed and were very concerned about doing anything that might jeopardize development rights and their position.

CHAIRMAN ALDEN:

Let's go back to Legislator O'Leary.

LEG. O'LEARY:

I don't know that the development rights issue is a concern here, but however, I didn't anticipate the County Attorney's Office raising •• raising these issues, and I would move to table this for purposes of getting a clearer notion as to whether or not the development rights are impacted as a result of this and to get a more clearer handle on this whole process.

CHAIRMAN ALDEN:

We have Legislator O'Leary making a motion to table, seconded by Legislator Viloria • Fisher. All

those in favor? Opposed? That's **TABLED. (VOTE:7•0•0•0)**

1566•2004. Adopting Local Law No •• 2004, Amending Local Law No. 20•2002, to provide accurate and truthful filing responsibility for County Election Campaign Finances. (BINDER)

CHAIRMAN ALDEN:

We had a public hearing on this earlier today, it was closed. Lynne has indicated she wants to address us on this.

MS. BIZZARO:

Brief statement, that the same legal impediments that applied to the recently vetoed version of this bill apply to this refiled version, the state preemption issue, that we can't tell the Suffolk County Board of Elections regarding filing.

CHAIRMAN ALDEN:

I'll entertain a motion.

LEG. MYSTAL:

Motion to table.

CHAIRMAN ALDEN:

Motion to table by Legislator Mystal, second by Legislator Viloría•Fisher. All those in favor? Opposed? I'm opposed.

LEG. LINDSAY:

Opposed.

LEG. O'LEARY:

Opposed.

LEG. NOWICK:

Opposed.

CHAIRMAN ALDEN:

We have four opposed. I'll entertain another motion.

LEG. NOWICK:

Motion to approve.

CHAIRMAN ALDEN:

Legislator Nowick, motion to approve, seconded by myself. All in favor? Opposed? Legislator Mystal, Legislator Vilorias•Fisher opposed. That motion is **APPROVED. (VOTE:5•2•0•0)**
(Opposed; Legis. Vilorias•Fisher and Mystal)

SENSE RESOLUTIONS

S•043. Sense Resolution in support of eliminating the sunset provisions of the Local Government Records Management Improvement Fund and the Cultural Education Fund. (NOWICK)

CHAIRMAN ALDEN:

Somebody from the County Attorney's Office? Mea Knapp? It's the County Attorney's Resolution. Ben, you want to take it?

CHAIRMAN ALDEN:

Sense 43.

LEG. NOWICK:

You know what? This is •• there is a creation of a local government records management improvement fund. It was created in 1989. It was to help •• help preserve the documents that were in chaos at the time. That money is going to be sunset out of existence, and this is just to continue receiving the money in order to preserve the archives.

CHAIRMAN ALDEN:

We have a motion by Legislator Nowick, seconded by Legislator Mystal. All those in favor? Opposed? **APPROVED. (VOTE:7•0•0•0).**

Just to correct that, that's another typo. That's Legislator Nowick's resolution.

S•044. Sense of the Suffolk County Legislature in support of the bill before the New York State Senate and Assembly known as the Public Authority Reform Act of 2004. (LINDSAY)

CHAIRMAN ALDEN:

Bill, can you just give us a quick briefing on that.

LEG. LINDSAY:

I think there's over 100 authorities in New York State with a combined budget that's probably larger than any individual locality, and there's movement afoot to kind of reign that in and cut down on the number of authorities. I think it's very worth while. I think it's in both Houses, and I think we support it.

CHAIRMAN ALDEN:

Motion by Legislator Lindsay to approve, seconded by Legislator Vilorio•Fisher. All in favor? Opposed? **APPROVED. (VOTE:7•0•0•0).**

Before we go into Executive Session, if everyone helps me out with •• there's a motion by Legislator Crecca to approve for the Consent Calender. We are going to give you •• if everybody is ready for it.

LEG. CRECCA:

Start on page three, start with •• motion to place the following resolutions on the Consent Calender; **1460, 1461, 1471, 1472, 1473, 1474, 1477, 1478, 79, 1480, 1481, 1482, 1483, 1484, 1485, 1486** and **1487** •• actually **1488, 1489, 1490, 1491, 1492, 1493, 1494, 1495, 1496, 1497** and **1498** and **1499**.

CHAIRMAN ALDEN:

So there's a motion by Legislator Crecca.

LEG. CRECCA:

1511 also.

CHAIRMAN ALDEN:

Seconded by Legislator Viloría•Fisher that would include all those including 1511, all those in favor? Opposed? That's the Consent Calendar that we're going to send.

Now, we're going to go into Executive Session with County Attorney's Office. We'll go into the conference room over here. It's to discuss a couple of settlements that are proposed in pending lawsuits involving the County of Suffolk. And we'll exempt all the personnel from the County Executive's Office, County Attorney's Office and the Legislature that are pertinent to those proceedings.

LEG. VILORIA•FISHER:

Mr. Chair, I think we have to vote to go into Executive Session.

CHAIRMAN ALDEN:

I'll make a motion, seconded by Legislator Viloría•Fisher. All those in favor? Opposed? We're going into Executive Session. Thank you.

(AN EXECUTIVE SESSION WAS HELD)

CHAIRMAN ALDEN:

Ways and Means is back from Executive Session having approved a settlement on pending legislation pending lawsuit. And I make a motion, seconded by Legislator Lindsay to adjourn. All in favor? Opposed? Ways and Means stands adjourned. Thank you.

(*THE MEETING WAS ADJOURNED AT 1:25 P.M.*)

_ _ **DENOTES BEING SPELLED PHONETICALLY**